The China Weekly

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密勒氏評論報

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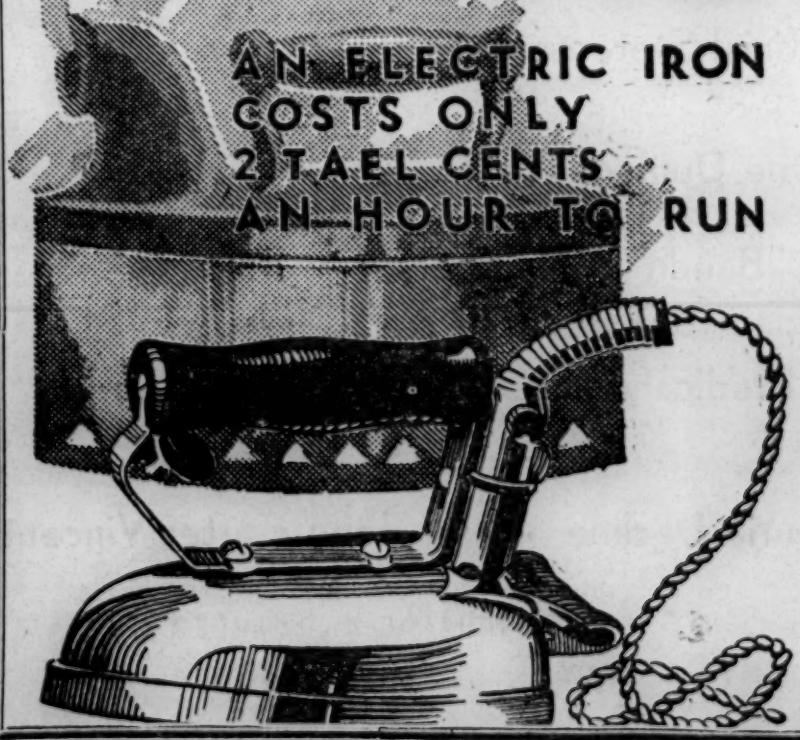

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

THE IMPERATIVE NEED FOR SUPERVISION

THREE weeks ago (July 23) *The Review* called attention to the prospectuses of two motion picture enterprises which were being promoted in Shanghai, the suggestion being made that the prospectuses contained exaggerated statements as to possible profits and also that neither prospectus contained exact information regarding its method of incorporation, one merely containing the letters, "U. S. A." under the title and the other stating, "Incorporated in the United States of America." As a result of adverse publicity the promoters of both enterprises quickly published new notices in the newspapers, one stating the incorporation was under the laws of Delaware and the other Nevada. Now, according to further notices appearing in the local press one of these enterprises, the so-called "First China National Productions, Ltd." has decided to liquidate due to a row which developed among the promoters. Fortunately all who had subscribed to stock are being repaid in full, hence there is no loss excepting the cost of the large ads in the daily newspapers and the printing and mailing out of the prospectuses.

Obviously there should be some way whereby American officials in China, under their exterritorial jurisdiction, could exercise legal supervision over companies which are promoted under the regulations of the various states of the American Union. As the situation stands today the U. S. Department of Commerce, through the China Trade Act Registrar does have legal supervision over so-called "China Trade Act Companies." that is, companies incorporated in accordance with the regulations of the China Trade Act which was passed by Congress several years ago. But this supervision does not extend to companies incorporated under the various state laws, hence the need for supervision in that sphere also. As the situation stands today there is nothing to prevent anyone, non-Americans as well as Americans, from incorporating companies under the laws of the various states and then proceeding to the sale of stock to the public. The American consulates often do refuse to register these companies, particularly when they do not contain a substantial American interest, but this does not prevent such companies from flying the American flag and giving the impression that they are sound and 100-percent American.

No one can forecast what is likely to happen in the event of the abolition of exterritoriality for if that comes about all these companies will come under Chinese law and be subject to Chinese regulations, but in the meantime the U. S. Government, either by Presidential order or Congressional act, should appoint an official who would be a combination of federal corporation director and bank examiner in China. It is not possible here to go into all the ins and outs of American exterritorial jurisdiction over American firms and individuals in China, but there is no complaint regarding the branches or subsidiaries of large home American corporations represented in China because their head offices located in the United States are subject to home American laws and regulations. But those, or at least some of those, which are incorporated under state laws and function entirely outside of the home country, do merit supervision, hence the need for an official or bureau, which, as stated should be a combination of federal corporation director and bank-examiner. Should Shanghai and the other treaty ports be visited by a disastrous financial panic and real-estate slump such as that which has swept the rest of the world the need for such an official would be all too apparent!

SOME MIS-INFORMATION FROM THE LONDON TIMES

A FINE little apology for Japanese activities in Manchuria and a suggestion that Manchukuo might serve a useful purpose as a buffer-state between China and Japan, was the interesting information contained in a *Reuter* report from London (August 9) which quoted an article from *The London Times* to the foregoing effect. According to the report the Tokyo correspondent of the London newspaper had written an article based on the "Report on Progress in Manchuria for 1932," which was issued recently by the Japanese Government-controlled South Manchuria Railway. Declared the correspondent, "Whatever judgment may be passed on Japanese action in Manchuria since last September when the outbreak in Mukden began, it should not be forgotten that the general situation, which eventually threw the initiative into the hands of the Japanese Army, was the outcome of Chinese policy. It was Japan's misfortune that public opinion abroad was unaware of the background and was accordingly thunderstruck by the swiftness of the Army's stroke and the magnitude of its consequences." In conclusion the Tokyo correspondent declared that it was necessary to find a remedy for China's disregard of Japan's rights in Manchuria. . . . "The best defence for the establishment of Manchukuo as a buffer state is that the former government was unfit to administer the country."

In reading this statement by the Tokyo correspondent of *The Times*, one wonders where this correspondent has been in recent weeks and months, for the Japanese newspapers reported not more than a fortnight ago that Mr. Tanaka, former Japanese Ambassador in Moscow, who had just returned from an inspection of conditions in Manchuria, had declared in the course of several addresses in Tokyo that conditions in Manchuria were now far worse than they were before the Japanese army stepped in and attempted to run the show itself. Also, one wonders whether the Tokyo correspondent of *The Times* ever read any of the voluminous reports which were issued by the S. M. R. prior to the Japanese occupation last September. In practically all of these reports the Japanese speak of the peace and order that prevailed in Manchuria as compared with chaotic political conditions which prevailed elsewhere in China. Naturally the Japanese took full credit for this peace and order as being due to the presence of their troops within the S. M. R. zone, but we have the Japanese word for it that conditions *were peaceful* in Manchuria before the Japanese army moved. It isn't necessary to say anthing about what has happened in Manchuria since the Japanese army moved in and proceeded to disturb peace and order. It was this peace and order which was being maintained by the former rulers of Manchuria that worried the Japanese authorities because it was enabling the Chinese to overcome Japanese competition and break down the monopoly of the South Manchuria railway. The fact that the Japanese were unable to withstand the competition and were gradually being forced out, was what caused the Japanese army to move. Now after practically a year of rule by the Imperial Japanese Army the Japanese have things all their own way, but the result has been complete chaos and a decrease in the value of Japan's two billion yen investment to probably a quarter of its previous status. This is how Japanese air-bombers and bayonets have helped Japanese trade in Manchuria. Somebody ought to tell the Tokyo correspondent of the *London Times* about what is really going on in Manchuria!

THE HUNGRY SCHOOL CHILDREN OF IMPERIAL JAPAN

JAPAN in times of peace and plenty is a country of radiant childhood. No visitor to Japan up until recent years could have helped but be struck with the fact that the school children of Japan were bright-eyed, happy, neat and well-fed. But things have changed in recent months. While the Mikado's soldiers are abroad trying to expand his dominions to the tune of machine guns and air plane bombs, more than a hundred thousand school children in Japan are starving. According to the *Osaka Mainichi*, the education authorities of Japan are appalled by the intensity of the impoverishment of the farming districts and fishing villages as exemplified by the non-attendance of school children. An investigation conducted by the Education Office has disclosed the fact that as many as 10,899 children of school age in Hokkaido are without food. An ugly feature of the situation is that the number of the unfed children in the rural districts is increasing daily and the education authorities of Japan have reason to believe that the number of unfed children of school age in the country will soon exceed 200,000. It is with the object of feeding, clothing, and taking care of those 200,000 helpless children that the Education Office has decided to ask a Yen 2,000,000 appropriation of the Diet in its coming special ses-

sion. Not only are the Japanese school children hungry, but thousands of Japanese school teachers are not receiving their salaries. From 2,500 to 3,000 public schools in the country are estimated to owe teachers their pay, and the total amount in arrears is expected to exceed Yen 5,000,000 by the time the Imperial Education Society has completed the nationwide investigation which it is now making.

The plight of the school children is but a reflex of conditions generally in many parts of Japan. The Tokyo correspondent of the *North China Daily News* in a recent letter gave details of conditions beyond Karuizawa. A motor ride revealed evidences of the direst poverty on every hand. Village huts were bare, even the tatami (mats) having been sold, either to pay debts or to secure the wherewithal to buy rice. The inhabitants of the region all appeared to be undernourished, children, women and old men. The young men had quit long ago and gone to the nearest towns; there was a marked diminution of young women too—these had either been sold to brothels or cheap geisha houses (which amounts to the same thing in the long run), or had left of their own accord before worse occurred. A Japanese nurse when asked why the people looked so underfed, so emaciated and so miserable generally, succinctly replied: "They are starving, have been starving for quite a long time, and they have now grown so apathetic that they do not care what happens. All their ambition is gone, and, worst of all, there is no money with which they can be assisted to regain, at least, their self-respect." The villagers and small tradesmen are clamoring for monetary assistance from the Government. The Government has promised to submit relief bills to the next session of the Diet, but it remains a moot question where the money is going to come from, since every day sees the central exchequer shrinking further.

Premier Saito recently urged the rural population not to depend on the Government, but to fend for themselves, but the Japanese press is frankly pessimistic and bitterly chides the Premier for preaching a sermon on ethics when what is needed is for the authorities to distribute some free rice. Public faith in the efficacy and the efficiency of Japan's so-called National Government, as the Saito Cabinet was hailed when first organized, is fast waning. Mr. Saito has himself compared his position to standing inside a house that is ablaze. At any rate it is only too plain that his plan for a campaign of self-help only serves to throw into greater relief his helplessness.

Unemployment meanwhile continues to spread in the Island Empire. Figures on unemployment up to May 1 issued by the Japan Home Office show that 483,109 people were out of work on the date, an increase of 700 compared with the previous month. Compared with the same month of the preceding year, there was an increase of 82,000. The unemployed are classified as follows:—Salaried class, 81,200; casual laborers, 192,631; other laborers 209,278. Tokyo prefecture stood at the head of the unemployed list with 126,884.

JAPANESE OFFICER WHO HAD A VISION ON A BATTLEFIELD

THE following strange story of an incident on the Kiangwanchen battlefield during the Sino-Japanese hostilities at Shanghai, appeared in the *Japan Chronicle* on August 2,

The army has started the compilation of a history of the Shanghai campaign, full of pathetic episodes. General Shirakawa, Commander-in-Chief of the Japanese forces, died, though not on the battlefield, Colonel Hayashi, a Regimental Commander, was killed in battle, Major Kuga was taken prisoner and later committed suicide, Captain Oyama attempted *harakiri*, etc. etc.

In connection with the attempted suicide of Captain Oyama hangs a strange and pathetic story, according to the *Asahi*. Colonel Hayashi, who was ordered to attack Chiangwanchen, advanced on the Chinese stronghold at the head of the Seventh Regiment (Kanazawa). Major Kuga led his battalion in an onslaught on the enemy north-west of Chiangwanchen. On February 22nd at 9 p.m., the Kuga Battalion was at a point 200 metres east of Yenchiakai, far into the enemy line. It was too far advanced to keep contact with the rearguard. Major Kuga, together with Captain Oyama, who commanded a company of the battalion, fought desperately against odds.

Captain Oyama was consumptive before he left Kanazawa for the front. Indeed, it was only at his earnest request that he was allowed to follow the army. As ill luck would have it, he was very feverish at the time the general attack on Chiangwanchen started, his temperature being 40 degrees. In this state, he and his company were outflanked by a strong enemy force. Their communications were cut off, their munitions were exhausted, and they were without food for two days and nights. Shells burst all the time around them and one soldier after another fell in rapid succession. Captain Oyama who had been fighting gallantly despite his high fever was at last overwhelmed and fell into a subconscious state. Just at this moment, he saw a vision of Major Kuga, which soon disappeared after telling him that all was over with them and asking him to retreat for a renewed attack. The Captain, who was aroused from his reverie, could not banish the impression that Major Kuga had actually come to give his orders and gone away to give similar instructions to other companies. He therefore ordered his company to retire. The time synchronises with the capture of the Major by the Chinese after he had lain unconscious with severe wounds. This cross-purpose of the vanguard led to the defeat of the Hayashi Regiment, resulting in the fall of Colonel Hayashi, the Commander.

Captain Oyama's condition became much worse and the was taken to the army hospital at Shanghai. The headquarters of the Japanese army took a serious view of these blunders, and examined the Captain in sickbed. His examination revealed the story already told, and it was concluded that his high fever, reinforced by the mental effects caused by the horrors of severe fighting, conjured up a vision of Major Kuga.

The report of Major Kuga's capture and the death of Colonel Hayashi weighed heavily on the mind of the unfortunate officier who, feeling his responsibility deeply, attempted *harakiri* in the hospital early in March, but medical treatment restored him to life. Major Kuga, when examined by a staff officer when he had been handed over to the Japanese headquarters from the Chinese troops, admitted that the action of Captain Oyama was not up to the mark. Soon afterwards, the Major committed suicide in the circumstances already known.

Captain Oyama was cured of his wounds and left hospital; and asked his superiors for permission retire from the military service.

The military authorities, regarding his conduct on the battlefield as inexcusable, no matter what were the causes, deprived him of rank and office. On his return to Kanazawa, he became a monk, resolved to devote the remainder of his life to the service

of consoling the departed spirits of Colonel Hayashi and Major Kuga.

The *Japan Chronicle* also published a report telling of the arrival in Japan of a Chinese Major Kan, who allegedly had been appointed Military Attache to the Chinese Legation in Tokyo. It was stated that Major Kan had assumed personal charge and given protection to the late Major Kuga when the Japanese officer was held prisoner by the Chinese military forces. In an interview in the Japanese newspapers, Major Kan stated his intention of visiting the family of Major Kuga in order to tender his condolences to the bereaved family.

Wang Ching-wei---Chang Hsueh-liang---and the Japanese

WANG CHING-WEI, leader of the left-wing faction in the Kuomintang and chairman of the Executive Yuan in the National Government, without any previous announcement boarded a train at Nanking bound for Shanghai on Saturday morning, August 6. Upon arrival at Shanghai, Mr. Wang released for publication a copy of a long telegram which he had sent to Marshal Chang Hsueh-liang at Peiping demanding Chang's resignation, the telegram alleging that the "Young Marshal" was squeezing the central government for funds for the maintenance of his army but was doing nothing to protect the country against Japanese invasion. It was claimed that Marshal Chang had in recent weeks sent demands to Nanking for sums approximating $5,000,000.

The telegram charged Gen. Chang with abandoning Mukden and the three northeastern provinces to the Japanese without resistance and apparently was on the point of following a similar procedure with regard to Jehol province. There then followed a brief reference to the defence put up by the 19th and 5th route armies when the Japanese invaded Shanghai last January. Declared Wang Ching-wei, "Aside from the central government forces, it is you who has the largest as well as the best-equipped forces at command and moreover the places which the enemy is now disturbing or threatens to disturb are well within your garrison area. It should therefore be obvious that from the standpoint of actual military strength, of responsibility as well as for geographical reasons, so long as you remain in office, there is absolutely no one who can do for you what is clearly your duty."

In conclusion, the head of the Executive Yuan demanded that Marshal Chang tender his resignation and thus "redeem yourself with our 400,000,000 compatriots so that Jehol, Tientsin and Peiping may not follow in the footsteps of Manchuria and Chinchow. Such a step on your part will certainly be an inestimable blessing to the China south of the Great Wall." In view of this situation and his inability to meet Marshal Chang's demands for funds, Wang Ching-wei tendered his resignation and according to report he has entered a German hospital at Shanghai.

***

Coming on top of Japanese demands for Marshal Chang Hsueh-liang's resignation, Wang Ching-wei's telegram naturally created a sensation—a sinking sensation on the part of the Chinese public for superficially it appeared to be a capitulation to the Japanese demands, and particularly so in view of the fact that recent reports from the north have indicated that Marshal Chang had at last made preparations for resistance. On the other hand there are reports in circulation that Gen. Tang Yu-ling, governor of Jehol province, always known as a "fence-rider" in Chinese politics, has already made a secret deal with the Japanese to support the puppet Manchukuo government in Manchuria, said deal having been made with the alleged knowledge and consent of Marshal Chang Hsueh-liang. The Chinese newspapers almost unanimously suspect other motives for Wang Ching-wei's resignation, some alleging that he chose this method of delivering an ultimatum to Generalissimo Chiang Kai-shek who is now in Hankow leading the campaign against the red-bandits. Latest developments have been the issuance of a circular telegram by Marshal Chang Hsueh-liang wherein the northern military leader accepts responsibility for the loss of Manchuria and announces his decision to resign. The Chinese-owned *China Press* published an editorial in its issue on Sunday, August 7 calling attention to the seriousness of a split in the government on the eve of the submission of the League Commission's report and meeting of the League Assembly in Geneva for the purpose of considering the Japanese occupation of Manchuria.

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It is no secret that the Chinese public, rightly or wrongly, generally holds Marshal Chang Hsueh-liang responsible for the loss of Manchuria, due chiefly to the fact that he failed to make any resistance when the Japanese occupied Mukden and other Manchurian cities in September of last year. However, Wang Ching-wei's animosity toward Chang Hsueh-liang goes further back to September, 1930 when Chang Hsueh-liang moved his troops to Peiping and thereby broke up the so-called Northern Military Coalition against Gen. Chiang Kai-shek and the Central government. Wang Ching-wei was a member of that coalition, hence formed a deep and abiding hatred for the Young Marshal which has continued to the present despite the fact that Wang later on joined the Nanking Government as head of the Executive Yuan where he has been intimately associated with Gen. Chiang Kai-shek, now head of the army. Marshal Chang Hsueh-liang actually was in Peiping, having just recovered from a serious attack of typhoid fever when the Japanese seized Mukden on the night of September 18, 1931. Supposedly on his advice his troops stationed in Mukden failed to put up any resistance and retreated first to Chinchow and later to Peiping. His failure to put up a fight at Chinchow in the face of war-lord Honjo's drive down the Peiping-Mukden railway naturally brought further criti-

cism, so that his position in Peiping in recent months has been anything but an enviable one. Long it has been suspected that the other northern military commanders, particularly Gen. Yen Hsi-shan in Shansi and Gen. Han Fu-chu (Feng Yu-hsiang subordinate) in Shantung, have been plotting to force the Young Marshal out of Peiping. However, the recent Japanese threat to invade Jehol and the Tientsin-Peiping district prompted Marshal Chang to call a military conference in Peiping wherein supposedly was worked out plans for united resistance against the Japanese.

⁂

That there is sinister Japanese intrigue mixed up in the present political crisis in Nanking goes without saying. On July 28 Baron Uchida, Imperial Japanese Foreign Minister, announced in the course of an interview published in the *Osaka Mainichi* that Marshal Chang Hsueh-liang had to be driven out of Peiping because of the Marshal's alleged connection with the so-called bandits and volunteers who are disturbing peace and order throughout Manchuria. But, and herein lies the point to the story, Baron Uchida declared that prior to embarking on a military drive into Jehol and northern Hopei (Chihli) that the Nanking Government would be given an opportunity to dismiss Marshal Chang from the control of his 50,000 troops stationed in the Tientsin-Peiping district. Baron Uchida declared that the dismissal of Marshal Chang would simplify the opening of direct (private) negotiations between China and Japan for a settlement of the Manchurian question, hence there was supposed to be some significance in the fact that a number of high Japanese officials visited Nanking at about this time, which also corresponded in respect to dates with the appointment of a new Japanese minister to China in the person of Akira Ariyoshi who had served as consul-general at Shanghai several years previously. Also, and in order not to omit any of the rumors, there have been reports that Japanese military agents recently have been in Shantung holding private conferences with Gen. Han Fu-chu, subordinate of Marshal Feng Yu-hsiang, who supposedly has ambitions to take over Peiping in the event Marshal Chang Hsueh-liang is compelled to get out. Marshal Feng Yu-hsiang, former leader of the Kuominchun, who, since the collapse of the Northern Military Coalition in 1930 has been in retirement, is now residing on Mount Taishan in Shantung. Recently when Lord Lytton and members of the League Commission of Inquiry visited Mount Taishan, Marshal Feng refused to see them on the grounds that he "was ashamed to meet Lord Lytton because China had lost the three northeastern provinces due to a policy of non-resistance.

⁂

But while the Japanese war-lords in Tokyo and Mukden are determined in one way or another to eliminate Marshal Chang Hsueh-liang from his post in Peiping, this will not of course bring peace and order in Manchuria. According to popular report the Young Marshal has only occupied a minor part in the outfitting and financing of the so-called "volunteers" which are now making life a burden for the Japanese in the northeastern provinces. The volunteers actually have received most of their support from Chinese individuals and public organizations in various parts of China south of the Great Wall. This is proved by advertisements soliciting funds which appear constantly in the newspapers throughout the country, but even more conclusively by reports of small groups of students and soldiers which are constantly proceeding to the north from Shanghai, Canfon, Hankow and elsewhere. It also is known that certain high military officials in the Nanking Government as well as at Canton have been giving the Manchurian volunteers considerably more than moral support, hence the elimination of Marshal Chang would not help the Japanese consolidate their position in Manchuria because the determination to recover Manchuria is nation-wide as evidenced in the boycott and cannot be affected by the elimination of any particular individual. What is worrying the Japanese in respect to Marshal Chang Hsueh-liang is that practically all of the Chinese merchants, bankers, gentry and men of property who previously resided in Manchuria have left that country and are now residing in Peiping and Tientsin where they look upon Marshal Chang as their leader. The fact that practically all men of means, previously resident in Manchuria, have left the three northeastern provinces, has had much to do with the commercial stagnation which has prevailed in that area since the Japanese occupation last September. The Japanese war-lords think, erroneously of course, that the elimination of Marshal Chang would cause these Chinese businessmen to return to their former posts.

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In the meantime while Chinese officials squabble among themselves at this most critical time when unity is a vital necessity, the so-called volunteers and "bandits" in Manchuria seem to be giving a good account of themselves. Just who are these volunteers? This question is answered in most interesting fashion by the Mukden correspondent of a German publication who declares that since the end of May there has been a springing up all over Manchuria but especially in the southern section of innumerable organizations composed of farmers and villagers who call themselves the "Big Knives," "Red Spears," etc., who apparently are determined to block the plans of the Japanese military in consolidating its position in Manchuria. The serious economic situation due to the world depression which caused a falling off in demand for Manchurian raw products, plus a complete stagnation of trade resulting from the Japanese military occupation, and further aggravation by the Japanese propaganda about the dispossessing of the Chinese peasants of their land in order to make room for mass-emigration of Japanese peasants, have caused vast unrest among the Chinese peasants and villagers. This unrest has been responsible for widespread uprisings of peasants and villagers, creating a situation not greatly unlike that which has prevailed in Honan, Hupeh, Kiangsi and other central provinces of China for several years. The number of insurgents cannot be estimated but the correspondent stated the aggregate must far exceed the number, 130,000, which was given by the League of Nations Commission in its report to Geneva several weeks ago. The Japanese troops

in Manchuria now numbering well over 100,000 are meeting the resistance of these Manchurian peasants on every hand, the result being war-lord Honjo's constant demands for more and more troops. Continuing, the correspondent of the German paper declared, "As a result of the Japanese occupation the economic life of Manchuria has been completely ruined; transport by land and water has been brought to a standstill, as a consequence of which the export of Manchuria's staple products has been rendered impossible. This was bound to have disastrous effects for the Manchurian peasantry who produce exclusively for export. To this complication is added the changes in banking, and as a result of which the bank notes formerly issued by the provincial banks have lost their value, and finally, the confiscation and threatened confiscation of most of the fertile land for the use of Japanese colonists has caused the Manchurian peasants to stage mass-revolts against their Japanese oppressors. These peasant gangs, assisted by recruits from south of the Great Wall and by members of the old Manchurian armies have formed themselves into partisan armies not unlike the situation which prevailed in Siberia during the course of the Allied intervention in 1918-1920. There are now five more or less distinct groups or "armies" operating in Manchuria, one operating in eastern and southern Kirin along the eastern branch of the C. E. R. and in the Chentiao district adjoining Korea. Another operates in eastern Kirin along the South Manchuria railway while a third group operates along the former Chinese railway running from Mukden to Shanhaikwan and along the Jehol-Fengtien border. A fourth group operates along the western line of the C. E. R. and along the Chinese railway that runs southward from Tsitsihar while the fifth group operates along the Sungari river.

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While the Japanese military party from chief war-lord Araki down has become increasingly bombastic over its plans in Manchuria and ever increasingly belligerant in respect to its attitude toward the rest of the world, there is no questioning the fact that extreme depression is observable throughout Japanese military circles in Manchuria. The enthusiasm which prevailed last fall following the apparently easy conquest of Manchuria, has given place to great discontent and unrest among the rank and file of the soldiers, which, largely is responsible for the demands for more and more fresh troops.

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The foregoing report by a German correspondent is more or less confirmed by a report received from a Japanese correspondent in Osaka who writes *The Review* to the following effect, "It is over four months since the so-called Manchukuo came into existence like a sand hill heaved up overnight. At the time of its creation the whole of Japan was stirred up to great pomp and parade. The people naturally enjoyed reading their local newspapers bringing morning and evening such cheerful optimistic news as 'Peace at last established in Manchuria,' 'New administrative policy in Manchukuo begins to materialized,' or 'Bandits wiped out,' etc. These sensationally idealized reports created in the people's minds an idea of the birth of a paradise and as a result there were sent a number of jobless into the new state only to return penniless or to turn loafers there. On this deplorable tendency of the local papers Mr. Royama, one of the leading critics of Tokyo, declared in an article appearing in the August number of the *Bungei Shunju*, most popular magazine in Japan, 'Observed from the resolution of the extraordinary Diet and newspaper reports the recognition of Manchuria by Japan is, as a national problem, a fait accompli in a sense. However, the fact that so important a problem as this bears the coloring of home consumption and that even influential papers do not refrain from treating it in historic passion, does no good to the country. The newspapers in our country should not be the organs of political parties or a demonstration agent for an ism. They should perform their duty as the guiding signal of society by means of supplying pure truth and thus letting the people find for themselves the right way to follow. It seems there is now a regrettable tendency that an idea of this noble dignified mission is going out of the minds of those concerned.' To cite a more concrete instance, Ambassador Tanaka (late of Moscow) declared in a recent address delivered at several places in Tokyo after his extended trip over Manchuria and Mongolia: 'The new state lacks in men of ability both among the Japanese and Chinese residents. The Manchu officials of the central government have no enthusiasm. Its administrative system is exceedingly complicated ....Peace is deplorably disturbed when compared with the state prior to the incident—perhaps an unprecedented disorder. As to mounted bandits, they are not of new creation but must be regarded as a sort of system so peculiar to Manchuria that their complete stamping out cannot so easily be hoped for.' The Ambassador's address cited here cannot but give a strange shock to the average Japanese whose knowledge of Manchukuo comes from the single channel of home news articles."

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If further evidence is needed that strong opposition is developing in Japan to the domination of the military clique, we quote the following excerpts from an article by Asao Hisashi, chief secretary of the newly amalgamated proletarian party known as the Shakai Taishuto, which appeared in the *Japanese Nation*, the translation being from the *Japan Chronicle*, British paper published at Kobe,

> The military have brewed a fascistic storm by wreaking in Manchuria their grudge against the reduction of armaments. There is no rational attitude nor a definite goal in their doings. They had hardly set up a new unnatural state in their simple-headedness before the country began to stagger under the unbearable weight. One has raised a stone which is too heavy for one's strength and cannot carry it to a place where it is desirable to carry it, nor can one put it down. So one has to hold it up, puffing and tottering all the time. A good play is not a bad thing, but a play by bad actors is no good. What a fuss to make about the three heroic human bombs and the triumphal return when the other party is no more than China! How have the military degenerated and weakened! If there is a national trouble, on which they are fond of harping, this is a national trouble indeed. Where is the strength they had at the time of the wars with China and Russia?
>
> Referring to Japan's colonial policy, Mr. Asao goes on to say, a certain Chinaman has remarked

that the Japanese are flies, which the English are ticks. The Japanese are troublesome with all the noise they make under one's very nose, but, after all, they merely skim over one's skin, whereas the English make no noise but quitely go on sucking one's blood. This is a true remark. In a word, the Japanese are foolishly simple, while the English are cunningly practical. The British colonies, which occupy an extensive portion of the earth's surface, have fallen into British hands without making much noise, and the British have been sucking their blood for many years. Japan has only Formosa, Korea and Manchurian for her own, and what did she stake to get them into her hands, and what money has she expended on Korea and so on, and yet so far from Japan sucking their blood, she is having her own blood sucked in order to retain them as her possessions. But it is not in her colonial policy alone that Japan's fly-like national character is reflected. It shows itself in domestic politics, education and all other things, making everything in the country formal and troublesome. The national system is brought forward at every turn. Patriotism is ever the first and last word in argument. When one opens one's mind a little, one is immediately denounced as unpatriotic, as if there were people who did not love their own country. In Japan, there are few positive injunctions to do this or that; but as to prohibitive orders not to do this or that, there are any number of them and there are innumerable officials (Japan has more officials than any other country in this world) to enforce them with more musts and must-nots.

The Japanese are nationalism incarnate. We cannot rest contented until everything is done as we will have it. When Formosa passes into our hands, we must needs subjugate the natives and educate them after our own fashion and insist on their singing our national anthem and being dressed in kimono. No thought is ever given to anything like recognising the natural inclinations of others and falling in with them even if it is to our ultimate advantage to do so, the result being that even our goodwill only annoys and antagonises those with whom we deal. Nor are we happy in choosing means by which to induce others to act with us. We are quarrelsome and aggressive from the beginning and rarely resort to natural, peaceful and rational methods. "Down with the capitalists!" goes the cry, and Inoue and Dan are murdered. "Down with the politicians!" and there go Hamaguchi and Inukai. The aborigines in Formosa are not docile, and they must be put down. Things do not go well in Manchuria, and troops must be sent out. America is not behaving properly. Nor is Russia. There must be war against them. If Japan is regarded as a warlike nation by the world, it is with very good reason. She is so apt to make her sabre rattle at the first sign of trouble because she is so simple and honest. Indeed Japan is a fly and Britain a tick.

President Wang Ching-wei Denounces Marshal Chang Hsueh-liang---Resignations All Round

AN amazing situation arose during the week in connection with Marshal Chang Hsueh-liang, whose principal title at present is, that of Pacification Commissioner of Peiping. He stands in the extraordinary position of being denounced by one of the chief officers of the National Government for failing to put up effective resistance against the Japanese while at the very same time the Japanese are continually blaming him as the author of the hundreds of attacks that are being made on their forces in various parts of Manchuria, and which during the past week have assumed even greater proportions than those which had occurred for several months previously. So strongly did Wang Ching-wei, the president of the Executive Yuan, feel on the subject of the dilatoriness of Marshal Chang Hsueh-liang that he handed in his resignation on August 6, simultaneously with dispatching to the Marshal at Peiping a scathing telegram of denunciation. There is a possibility that in the end President Wang will remain in office, as an emergency meeting was called the following day at the Central Kuomintang headquarters at Nanking at which it was unanimously decided to reject Mr. Wang's resignation, at the same time dispatching a telegram to him urging him to withdraw his resignation. President Wang Ching-wei's telegram denouncing Marshal Chang was translated by the *Kuo Min* news agency, as follows:

> Last year, you abandoned Shenyang (Mukden) and subsequently lost Chinchow, with the result that 30,000,000 people and several hundreds of thousands square *li* of national territory have fallen into the hands of the enemy. The truculence of the enemy was thus enhanced; with the trouble subsequently spreading to Shanghai and Woosung. The 19th and 5th Route Armies however put up a gallant resistance, and made a courageous struggle for the existence as well as the prestige of our nation. This was admittedly an extraordinary feat and is therefore hardly one which may reasonably be expected of you. That did not however prevent one from hoping that you would have become conscience-stricken and done something to vindicate yourself. On the contrary, although nearly a year has elapsed, there has been absolutely no achievement to your credit. The enemy has become even more rampant with the result that Jehol is threatened with imminent danger. The Central Government forces are now engaged in the suppression of banditry. Campaigning as they are in the face of trying heat, they are experiencing all kinds of hardships. However, as bandit-suppression is necessary for the pacification of the interior and consolidation of the rear, it is a duty which they can not shirk.
>
> Aside from the Central Government forces, it is you who have the largest as well as the best-equipped forces at command. Morover, the places which the enemy is now disturbing or threatens to disturb are all within your garrison area. It should therefore be obvious that from the standpoint of actual military strength, of responsibility as well as for geographical reasons, so long as you remain in office, there is absolutely no one who can do for you what is clearly your duty. You can not be ignorant of the fact that China belongs to the Chinese people as a whole and that all members of the nation are in duty bound to take up arms for the defence of the nation.
>
> It was out of this high sense of duty, and not from any other ulterior motives, that the 19th and the 5th Route Armies put up the gallant fight at Shanghai and Woosung. Following upon the outbreak of the hostilities, not only did the Central Authorities collect what meagre resources it had at its disposal for the support of the men at the front, but the people also gave enthusiastic support to enhance the morale of the soldiers.
>
> **Calls on Central Government for Huge Sums**
>
> To the best of my knowledge, you have not sent a single soldier or "let loose a single arrow" for the defence of the nation. Notwithstanding this, you are using "resistance" as a pretext for extortion. Since you issued a paper-manifesto announcing your intention of resisting foreign aggression, you have called upon the Ministry of Finance to raise five million dollars, (of which two millions must be remitted immediately); and upon the Ministry of Railways to provide you with two million dollars immediately. Yesterday, you went so far as to call upon the Executive Yuan to give to Jehol a monthly subsidy of $3 millions. At the present juncture, when the people are

suffering from dire poverty and all financial resources have been exhausted, the finances of the Central Government are in a state of extreme difficulty. It is impossible that, having eyes and ears as you do, you can be unaware of such a state of affairs. What then is your motive in coercing and confronting the Government with such unreasonable demands?

Even if the Central Government had such resources at its disposal, I can not agree to squander these sums before you have actually carried out your professed intention of resistance. I must therefore confess that I am not capable of "extracting the flesh and sinews" of the people to satisfy your greed. As I can not avoid disappointing you, I have no choice but to tender resignation, not only to redeem myself with you but also to show that I have no other motives. I can only hope that you will also tender your resignation to redeem yourself with our 400 million compatriots so that Jehol, Tientsin and Peiping may not follow in the footsteps of Manchuria and Chinchow. Such a step on your part will certainly be an inestimable blessing to the China south of the Great Wall.

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The telegraph wires were kept hot in all directions as the result of President Wang's charges against Marshal Chang. The Marshal immediately telegraphed to the Nanking government, to President Wang and to General Chiang Kai-shek.

In the telegram to the Government the Marshal said that resistance must come only after the most careful preparation, and that Marshal Chang did not believe that hasty action would help the situation. Marshal Chang added that his resignation was a certainty but since he is responsible for peace and order in North China, he does not wish to leave his post without the proper steps being taken for the preservation of order.

In his telegram to President Wang the Marshal particularly denied the charge that be has been using funds sent by Nanking, intended for Jehol.

In his telegram to General Chiang the Marshal asked for instructions as technically the latter could not leave his post without orders from the former. *Rengo* says that General Chiang replied to the marshal to remain at his post and to do his best to cope with the difficult situation.

A conference of the Northern military leaders, including former members of the Kuominchun, General Tien-ying and General Sung Che-yuan, was summoned at Peiping August 7 to consider the matter of the Marshal's future action. They urged the Marshal not to resign, and as they are supporters of General Feng Yu-hsiang, much importance is attached to their action.

There is naturally much speculation as to why President Wang Ching-wei should launch an attack upon Marshal Chang Hsueh-liang just at this time when there should be a united front against the Japanese. The Japanese *Rengo* service states (and its explanation seems quite logical) that President Wang's idea is to put a stop to General Chiang Kai-shek's influence, and indirectly the attack on Marshal Chang is intended as a means of diminishing General Chiang Kai-shek's prestige.

RESIGNATIONS WHOLESALE, AND MORE THREATENED

The attack launched by Wang Ching-wei on Marshal Chang Hsueh-liang has precipitated a crisis in the Chinese political situation, dramatic in the extreme. Resignations became the ruling passion, and it appeared at one time that all the principal officials in the National Government would eventually resign. At the moment of writing the situation is: President Wang Ching-wei insists on quitting and also Marshal Chang Hsueh-liang had sent in his resignation, but there was a sort of "string" attached to it that he would continue until some suitable person had been designated to succeed him. The entire "cabinet" of Ministers of the Executive Yuan, headed by T. V. Soong, Minister of Finance, dispatched a telegram from Shanghai August 9 to the Central Government at Loyang and the Central Political Council at Nanking, resigning their posts. The telegram was signed by nine Ministers and the chairman of two national commissions, these being T. V. Soong, Finance Minister; Gen. Huang Shao-hsiung, Minister of Interior and concurrently Minister of Communications; Dr. Lo Wen-Kan, Minister of Justice and concurrently Minister of Foreign Affairs; Gen. Ho Ying-ching, Minister of War; Admiral Chen Shao-kuan, Minister of Navy; Chu Chia-hua, Minister of Education; Chen Kung-po, Minister of Industries; Koo Meng-yu, Minister of Railways; Dr. J. Heng Liu, director of National Health Administration; Shih Ching-yang, chairman of the Mongolian and Tibetan Affairs Commission, and Chen Hsu-jen, chairman of the Overseas Affairs Commission. Mr. Soong in a statement said that the Ministers concerned would carry on their duties until their successors had been appointed.

The resignation of the Ministers left General Chiang Kai-shek to carry on the governmental functions alone, but General Chiang in a blunt message to Ho Ying-ching and Chu Pei-teh ordering them to proceed to Shanghai without delay to persuade Wang Ching-wei to withdraw his resignation, concluded with the significant words: "If Mr. Wang Ching-wei does not withdraw his resignation I shall resign also."

Japan Recognizes Manchukuo---But "Bandits" Cut S. M. Railway

THE long-expected recognition of Manchukuo became an actuality August 8, when the formal appointment of General Nobuyoshi Muto to head the new Japanese administration in Manchuria was announced in Tokyo. The decision to establish formal diplomatic relations with the new State was reached at a conference held at Tokyo August 6 between officials of the Japanese Foreign Ministry and the War Office. General Muto, it is to be noted, serves as a special envoy with plenipotentiaty powers, and this fact alone, without any formal act of recognition of Manchukuo, is tantamount to legal recognition.

In the meantime things have not been going at all well with the Japanese, particularly in the South Manchuria railway zone, where the continued activity of the Chinese Volunteers (or "bandits" as the Japanese prefer to syle them) has considerably got on the "nerves" of the Japanese whose irritation is reflected in the telegrams from Tokyo. Lieut.-General Mori and other high officers and civil officials had repeated conferences in Mukden end of last week for the purpose of devising effective measures to secure the safety of the railway, in view of the repeated attacks on the line. Tokyo gave instructions to General Honjo to "deal drastically with the lawless elements," and the receipt of the instructions was stated by *Reuter* to have caused unusual tension in Mukden. The Japanese War Office was distinctly "annoy-

ed" by the news from South Manchuria and on the night of August 4 issued a statement to the Press in which it threatened to take firm measures to punish Marshal Chang Hsueh-liang and his subordinates—who are repeatedly being charged by the Japanese with conducting these operations from the background.

Chinese Volunteers operating against the Japanese in southern Liaoning penetrated to within seven miles of Shenyang (Mukden), August 3, occupying incidentally the Chienchinchai collieries. Traffic on the South Manchuria Railway was repeatedly disrupted through the activities of the Volunteers. The Japanese telegrams in noting the simultaneous attacks on the railway line at different points mention that the Chinese take advantage of the thick kaoliang (a kind of millet which is largely cultivated in that region).

Repeated attacks were made by the Chinese "bandits" (Volunteers) on Haicheng, Yingkou, Nantao and Tashihchiao, during the later part of last week, with the result that night traffic was suspended for several days—an occurrence which is unprecedented. The Japanese admit that the fighting on the South Manchuria main line at Newchwang (Yingkou) August 4 and 5 was of a severe and critical character, and fierce street fighting occurred in the streets of the city before the Japanese were able to drive the "bandits" beyond the city limits. At Tienchwangtai, 12 miles west of Yingkou, the Chinese assembled in force and Japanese gunboats were dispatched up the Liao Ho (river) to disperse them. *Kuo Min* says that the shots did little damage to the "bandits" but tore up considerable sections of the railway line. Five Japanese planes took off from Chingchow on the morning of August 4 and made bombing raids on the "bandits" concentrated at Tienchwangtai and at Heishan, west of Tahushan. The occupation by a body of 500 Volunteers of Tungliao, an important railway city in south-west Manchuria, was recorded in the Chinese press of Peiping August 5. The city is stated to have been occupied after an engagement with Japanese troops that lasted for three days. The Volunteers are reported to have captured and destroyed a Japanese armored-train. One result of the engagement and the occupation of the city by the Volunteers was the suspension of traffic on the Tungliao-Tahushan Railway. The Volunteers were also stated to be very active in the vicinity of Mukden city, where an exploit was carried out at the beginning of the week of a character in which the Chinese are very adept. According to the story printed in the Chinese press at Peiping, a number of Chinese aviators gained entrance to the Mukden airdrome disguised as painters. Taking advantage of the inattention of the guards they succeeded in "stealing" six of the best planes which formerly belonged to the North-eastern Army and which have since been converted by the Japanese to their own use. When the plot was discovered, the story continues, the Japanese aviators hastily attempted to give pursuit but found themselves frustrated, owing to the fact that their machines had been damaged by the plotters.

The Chinese press telegrams were jubilant over the fact that the National flag once more flew over Tungliao, the northern terminal of the Tahushan-Tungliao Railway. As described by *Kuo Min*, 500 Chinese Volunteers wearing green uniforms advanced on Tungliao on July 31. For three days and nights thereafter fighting continued between the attackers and the Japanese garrison forces during which an armored train of the enemy was captured and destroyed by the Volunteers. On the night of August 3, the Japanese, finding themselves unable to withstand the fierce onslaught any longer, evacuated the city and withdrew to Changwu district, south of Tungliao. The Volunteers were in complete possession of Tungliao by the morning of August 3. It will be recalled that the Japanese occupied Tungliao on September 23 last year, shortly after the Shenyang (Mukden), incident, and had retained continued control of the city up to the tune of its capture as above described.

The Volunteers operating along the South Manchuria Railway region, which have recently created such havoc, consist of seven route armies. The 5th route has been engaging the Japanese troops at Yingkow while the 5th route has been moving between Yingkow and Tashihchiao. The 2nd and 7th routes have been attacking Natai and Haicheng. The 3rd route is fighting the Japanese between Yentai and Liaoyang on the Railway line. The 6th route led the attack on Anshan station, while the 1st route has reached Yenchunpao.

In the meantime everybody is on the *qui vive* as to what line of action the Japanese will take next. That the Chinese irregular military forces should be scoring successes at a time when the Chinese political situation is a big muddle has come as an unexpected unpleasant surprise to the Japanese and it may be taken for granted that the Japanese military leaders are planning some spectacular move, if for no other reason than to regain some of the prestige lost as the result of the week's operations. Whether in the end the Japanese will make a move on Peiping or on Jehol, either at all, or in which direction first, remains to be seen. At any rate a telegram from Washington August 8 reported that apprehension was felt at the State Department over a possible Japanese advance on Peiping. Dispatches from Peiping reported that foreign diplomats in Peiping were discussing the possible results in the event that the Legation guards there were to fight Chinese outside the city. The situation was considered delicate from an American standpoint as the senior foreign officer is an American, making him commander of all the guards in the event of an emergency situation.

Exploring Party Arrives in Tachienlu

Jack T. Young, Chinese member of the exploring party which left Shanghai several weeks ago for northern Tibet, has written *The Review* announcing the arrival of part of the party at Tachienlu, Sikong province, where they are staying with Dr. R. Cunningham of the China Inland Mission. Due to complications which developed while the party was in Peiping, Gene Lamb, leader of the party did not accompany them to Tachienlu. The party originally was composed of eight Americans and one Chinese. Mr. Young, whose home is in Hankow, but who has been a student in the United States for several years, previously accompanied the Roosevelt expedition into southeastern Tibet.

Colonel Stimson in New York Speech Refers to Japan as "Invader"---Tokyo Protests

A SPEECH delivered by Colonel Henry L. Stimson, Secretary of State of the United States, before the Council on Foreign Relations, New York City, August 8, on the subject of the "Pact of Paris, Three Years of Development," has caused a furore in Japan, because of Colonel Stimson's reference to Japan as an "invader." According to a Tokyo telegram August 9, the Japanese Government has decided to lodge a vigorous protest against Colonel Stimson's speech. Authorities of the Japanese Foreign Office are described as being indignant at what they term the "imprudent" utterances of the U. S. Secretary of State. A spokesman of the Japanese Foreign Office said that Japan had been trying to refrain from any diplomatic negotiations with the United States at this time because of the approaching presidential election, but as Colonel Stimson had himself chosen to discuss the Sino-Japanese situation, Japan need feel no further restraint. *Rengo*, the semi-official Japanese news agency in reporting the incident says: "This sort of address will eventually cause misunderstandings of Japan's position in international relations by the Powers, the Foreign Office authorities aver. It is understood in this connection that the authorities are likely to take necessary steps in order to arrest (*sic*) the attention of the American Secretary of State."

Colonel Stimson in the course of his remarks, said: "I believe that the Briand-Kellogg Pact will become one of the great permanent policies of our Nation to-day." After a lengthy summary of the events leading up to the Pact, Mr. Stimson referred to some of its critics who said that it was no Treaty but merely a group of unilateral statements made by the Signatories and declaring their pious purpose. Mr. Stimson said these critics were wrong inasmuch as the Treaty contained definite promise. The Secretary of State then referred to the Sino-Japanese conflict in Manchuria. He recalled that the United States had intimated to both the Chinese and the Japanese that she would not recognise any situation brought about contrary to the Covenant and obligations of the Paris Pact, which view was subsequently adopted by the League of Nations and supported by 50 nations.

The following is the full text of Colonel Stimson's speech as supplied by the U. S. Consulate General in Shanghai:

A few years ago the United States joined with France in the initiation of the so-called Briand-Kellogg Pact for the renunciation of war. Later, in 1929, the pact became formally effective, and it has now been adhered to by sixty-two nations. Scarcely had its ratification been announced on July 24, 1929, when it became subjected to the first of a series of difficult challenges which are still going on. In the defense of the pact the American Government has been a leader. I believe it would be appropriate, in the light of this three years' history, to take stock of how necessary the pact is, the direction in which it is developing, and the part which we may hope that it eventually will play in the affairs of the world.

World events have been moving so rapidly since the Great War, and we have been so close to them, that it is difficult to obtain an adequate perspective. I think, therefore, that it is well to summarize briefly the background out of which this great treaty came and against which it must be judged.

Visions of Peace

Prior to the Great War many men had had visions of a warless world and had made efforts to accomplish the abolition of war, but these endeavors had never resulted in any very general or effective combinations of nations directed towards that end. During the century which had elapsed since the beginnings of International Law, a large part of that law evolved on a development of principles based on the existence of war. The existence and legality of war were to a large extent the central facts out of which these legal principles grew and on which we had rested.

Thus the development of the doctrine of neutrality was based upon the duty of a neutral to maintain impartiality between this Government and belligerents. This implies that each belligerent has equal rights and is owed equal duties by the neutral. It implies that the war between them is a legal situation out of which these rights and duties grow.

Contrary Aspect

Therefore, it is contrary to this aspect of International law for the neutral to take sides between belligerents or to pass a moral judgment upon the rightfulness or wrongfulness of the cause of either—at least to the extent of translating such a judgment into action. So long as a neutral exercised this strict impartiality, international law afforded to him, his commerce, and his property, certain rights of protection.

And during the generations which preceded the Great War much of the growth of humanitarianism was associated not with attempts to abolish war but to narrow and confine its destructive effects by the development of these doctrines of neutrality. Their chief purpose was to produce a zone of safety for life and property in a world which still recognized and legalized the destruction of life and property as one of the regular methods for the settlement of international controversies and the maintenance of international policy.

Revolutionary Changes

The mechanical inventions of the century preceding the Great War and the revolutionary changes in industrial and social organizations by which they were accompanied have produced inconceivable effects upon the concept of war which I have described. Nations became less self-contained and more interdependent; the populations of industrialized states became much larger and more dependent for their food supplies upon far distant sources; the civilized world thus became very much more vulnerable to war.

On the other hand, with these mechanical advances modern armies became more easily transportable and therefore larger and were armed with more destructive weapons. By these changes the inconsistency of war with normal life became sharper and more acute; and destructiveness of war to civilizations became more emphatic; the abnormality of war became more apparent. The laws of neutrality became increasingly ineffective to prevent even strangers to the orignal quarrels from being drawn into the general conflict.

World Maelstrom

Finally there came the Great War, dragging into its maelstrom almost the entire civilized world; tangible proof was given of the impossibility of confining modern war within any narrow limits; and it became evident to the most casual observer that if this evolution was permitted war, perhaps the next war, would drag down and utterly destroy our civilization.

Immediately after the war was over it became known as "A War to End War" and at the Peace Conference at Versailles the victorious nations entered into a covenant which sought to reduce the possibility of war to its lowest terms. The League of Nations did not undertake entirely to prescribe wars between nations. It left unrestricted a zone in which such wars might occur without reproba-

(*Continued on page 413*)

A Night with the Manchurian "Bandit" Volunteers

(By "A. S. K," Pseudonym of an American Correspondent)

IF you really are an American, as you say, you you aren't an enemy to us," were the words uttered by a stalwart Chinese, some thirty years old and seemingly in command of some sixty plain-clothes men, who had just held up the Chinese Eastern Railway train and marched away 96 passengers, among whom eleven were Russians and myself, an American. We were driven into the hills and brought to a village some ten miles away, where we were huddled together in a filthy hut. Our captors proceeded to interrogate us with a view to finding out how much ransom each of us would bring in. This done they marched away the rest of the captives further into the hills, excepting myself, the Russians and three indigent Chinese.

"We don't harm your people, whom we regard as the best friends of our nation, so we'll free you later. There is your property," said the chief, pointing to a distant corner of the hut where some of our effects were all piled up together.

"You want to know why I've joined the Old Kirins, said the chief after having seen his men and captives disappear in the twilight of the rapidly coming night. We were now freed from our ropes and made ourselves comfortable near the camp fire in the compound, together with the chief and a few of his fellows.

"Up to February, this year," began the chief "I and my elder brother lived at Harbin, where we have a small shop on Mostovaya Street, my brother is still there and looks after the business. I wasn't stirred up till February, or the time when the Japanese started their drive northward to Harbin from Changchun. Then our General Ting Chao, in command of the railway guard, resolved to resist the Japanese. You remember, of course, his appeal for popular support. Hundreds joined Gen. Ting's army, among these myself. The volunteers were mostly from among students and shop-assistants. We were hurriedly equipped, trained and divided into small units of 50 to 100 men. In some cases we were given a light machine-gun and a trench mortar, the leaders consisting, of course, of regular soldiers.

No Time for Training

"Those were hasty days. We had, in fact, no time to train ourselves. Our first encounter with the Japanese, I remember, took place at Shwangchenpoo, some 30 miles South to Harbin. Our unit was attached to the 167th Regiment, then marching southward. We were on the extreme right, flanking the regiment. The march was an easy one, except the cold, especially at night time. We had just passed a village when we heard, in the dead of night, the first shot fired somewhere near the center of our army. Soon it was followed by the rattle of a machine gun—we knew our scouts had encountered the Japanese outposts. The noise kept growing louder and louder and spreading in our direction; we stopped for awhile and awaited developments.

"Orders were received to cut the railway track a mile or two from the station where we and our sappers were to blow up a small bridge. The sun was just coming up in the east when an armoured train came steaming from the station and proceeding to the spot where we were to blow up the bridge. No bridge could be seen in the twilight, but there was a loud "bang" from the train as the Japs sent a shell in the direction of the village where our regulars were attacking the station. Now we were running across the snow covered field—no trees could be seen, except on the edges of the field, to cover us. Now the train stopped somehow and began a concentrated fire with its three guns into the darkness, in our general direction. We were probably some two hundred yards away when the bridge guard saw us and started to fire at us. In no time we deployed and started to reply. It was my first experience and I felt myself,—to say frankly—mighty scared and lay there quite stupefied with my head buried in the snow, but I soon came to myself and started to shoot at the sand bag piles at the near end of the bridge, where I believed were hiding the Japanese soldiers. The Japanese troops on the train having seen our maneuvre moved up to the bridge, and started machine-gunning, but thank goodness far overhead. It was fearful indeed to hear the whine of bullets somewhere overhead, making us stick tight to mother earth. How I came out of that is not clear to myself even now.

"Well, it was evident that we had failed to take the station. The Japanese, however, did not advance—they had to await further reinforcements. Early in the morning we had our first experience in being bombarded from the air. The 'planes came over from the south, some seven of them, at great height, and started to bomb Lishuchow and Hsiaosuifoo villages, where our troops were billeted. Having no anti-aircraft guns we were perfectly helpless. Fortunately, nearly all the bombs missed their marks—I believe the Japanese airmen are poor marksmen. As for myself, I was in a platoon of 9 in an outpost, sitting in a hole in the field, so the planes did not see us. Some of the planes tried to machine-gun our lines but to no purpose—our machine-gunning and volleys made it rather a precarious business.

After my first encounter with the Japanese I began to value the bullets I carried. When going into battle I had 75 cartridges but found after an hour of hot engagement I had only nine left. No new supplies could be furnished when we were lying in the ditch. Another thing I learned was that it is nearly impossible to see the enemy; occasionally you see him running half bent and leaping about here and there. Bayonet charges are now impossible; much better to save as many bullets as possible, because only one in a thousand probably hits the mark. After considerable experience we now shoot only occasionally, with good aim, counting the bullets although our enemies are profuse in shooting. Squandering precious bullets is a crime.

A Day of Slaughter

"Major Woo, our commandant, lost his life in the defence of Harbin, when we charged an enemy tank. It was in broad daylight, in the field between Intendensky Rasiezd and Korpusnoi Gorodok, in front of our trench. The battle started at early morning, and was raged mainly in the direction of Old Harbin. We could plainly see two tanks speeding across the field followed by infantry, all charging our positions. Soon one of them fell into a ditch and couldn't get out, although Japanese soldiers were seen trying to help it up. Seeing that our troops to the left had leaped out of their trenches and charged the tanks, we were also ordered out of our holes and dashed toward the tanks threatening to outflank then. In a general melee, noise, shouts, bangs and rattling of guns, it wasn't clear what was happening. We came to our senses only after the retreat. The loss was great, of course, but the enemy's loss wasn't small, either —they did not stir out of Harbin for a week or so after that fight. Our brave commander lost his life there, pierced by Japanese bullets. May his soul rest in place!

"Our troops were retreating to Bensien in an endless column, my contingent being assigned to guard the left flank, as a precaution against a sudden attack by the enemy. But it was hardly warranted, for there could not be seen nor heard a single detachment of the Japanese or Manchukuo troops for miles around. Early next morning, moving atop a hill we could see three Japanese scouting planes bombing our column in the valley below. The loss sustained was not great—only a few carts, laden with provisions, blown up and a field-gun damaged by a fragment of a bomb. From long experience we know now what to do in case of air attacks—we disperse and then continue our march, paying not much attention to the planes. They are dangerous only when the troops are marching in close formation. Also the planes never come down too close, for fear of our volleys and machine gunning from below. The plane has, of course, its own machine-guns, but, I observe, they are of little use against troops below. But the Japanese airmen let off their guns at every shrub—apparently in order to arrive

back at their home base empty handed and with brave stories of hundreds of "volunteers" and "bandits" killed. From the air the sight of our running to cover might provoke them to arrive at such silly convictions. This they explain as a stampede of terror-stricken bandits. There are, of course, some casualties, which can't be helped, since it is a war, not child's play."

"Now I'll tell you how we, in conjunction with the volunteer corps Nos. 15 and 18, took a whole transport of ammunition and other supplies from the Manchukuo army. This fact was reported in the newspapers but there was quite an amusing side to it, which we, the volunteers, will remember always.

"At that time the Old Kirins, under the personal command of Li Tu, were besieging Ninguta, a small town south of the C.E.R. line. They were giving a hot time to the defenders. Since the town is far away from the railway and can be gained only by a road winding across the hilly country, the communication was therefore at our mercy. We were now given mounts, almost to a man, and rode for three days and nights, joining on the way with the mentioned detachments, and reached a small village, hidden among the hills, a mile or two from the road. We knew that the reinforcement would be rushed from the railway to the town, so we arranged to waylay it in close formation on the top of a brush-covered hill, overlooking the road. Next day, about noon, three truck loads came within view and were allowed to pass along unmolested. But a column of about fifteen trucks and motor buses that followed were captured. The drivers of the trucks and guards were greeted with a shower of rifle and machine-gun fire and with bangs of trench mortars. This dumbfounded the enemy. The stampede was almost indescribable. To grab them was child's play."

"We learned that it was a commissariat department of a certain brigade—we netted 3 machine guns, 5 trench mortars, many cases of ammunition and sanitary supplies, cases of gasoline, lubricating oil, men's uniforms, shoes, and so on. Very handy things! The examination of prisoners disclosed that the enemy did not know anything about the situation in and around Ninguta and apparently considered that the town could be reached safely. The prisoners, among them a number of expert auto-drivers, expressed a willingness to join our ranks, and since have been serving quite loyally our cause. Some of them are among my boys."

All Is Fair in Wartime

"Since each of our units operates quite independently of others and since each commander has been given what you call *carte blanche*, the activities of some of us have aroused criticism as being simple and pure banditry. Judging from the experiences of some prisoners there is probably no other name, but we are content as it can't be helped—we must have rich prisoners and we must receive big ransoms for them. War requires funds, you know. Nobody gives arms, ammunition, clothing, food, to poor volunteers; we must have them and in big quantities. Some say, the looting of villages along the railways is being done by real bandits, who have joined our ranks, and for whom banditry has become, so to speak, a sort of second nature. They can't get along without doing some bad things, but I believe this alliance is a temporary one; our high command will have to tame them down but this is a war and every means is a good one for the high purpose of freeing our mother land from foreign invaders. War is war, with blood, misery and tears.

"You ask, how long this struggle will last? Nobody can tell. Personally I feel that here, in North Manchuria, due to the mountainous character of the country and thick woods, the struggle will last for years, perhaps, five, ten or more years. The country is up in arms against the Jap invaders and the traitors behind them. Here the population is made up of newcomers, immigrants from Shantung, Chihli, Honan, and other provinces south of the Wall who are determined to prevent Manchuria from becoming a province of Japan and occupied by a large Japanese army. This is clear even to our children. We will live here and keep on fighting and it'll be a tough business to run us down in these hills and woods!", said the chief with an angry gesture and a sparkle in his eyes. "As to support," he continued, "we'll have plenty of it. Don't forget that in Russia, across the frontier, there are thousands of Chinese and Koreans ready to support us in the rightful struggle, and they will support us. And we know the world sympathizes with us," he concluded, "even though nobody can come to our assistance right away."

"To-morrow you'll return to the civilized world and may tell our self-styled leaders at Nanking, Canton and Peiping how we, the Northeastern volunteers, bandits or whatever they call us, how we are disgusted with them. Imagine! to be an official at the head of the nation and not know what the enemy was planning under their very noses! Hell is the right place for such leaders!"

The chief lived up to his promise—on the morrow we were led to the railway line, where we boarded the next train and returned to civilization, well and sound. This is the real story of at least one group of north-Manchurian "bandits" that the official Japanese news agencies and propagandists tell about in the dispatches.

Harbin, August 1, 1932.

When the Chinese Post Office at Mukden Was Closed

The following is a copy of the official post office notification closing the Mukden Post Office signed by Postal Commissioner Poletti, as it appeared in the *Manchuria Daily News*, July 28, 1932.

POST OFFICE NOTIFICATION

The public is hereby notified that, during the period of special emergency, the undersigned has for the past few months endeavored to handle the postal affairs of this district to the best of his ability, in the interest of the public. Circumstances have, however, arisen which make it impossible to carry on the service any longer, and no other course is open than temporarily suspending all postal operations of the various offices of this district. This takes effect from to-day. As regards liabilities, it is also impossible to assume any responsibility; they can only be left outstanding until restoration of normal postal conditions in the district, when liquidation will be effected.

It may, however, be pointed out that, while the savings deposits in the hands of the various offices in Liaoning and Ki-Hei District amount to only several hundred thousand dollars and the value of uncashed money orders and other outstanding payments are also very small, postal properties located in these two districts—movable and immovable—have a total value of two million and several hundred thousand dollars. The liabilites are thus amply covered.

F. POLETTI,
Postal Commissioner for Liaoning District Head Office, Liaoning

Moukden, July 27, 1932.

Chinese Protest Against Japanese Violations of Postal Laws

It is learned at the Ministry of Communications that as a result of investigation into the so-called emergency postal services established by the Japanese at various ports in the country for the transmission of Manchuria mails, those at Tientsin and Tsingtao are particularly open to objection, as the mails, which are transmitted by Japanese boats, do not even bear Chinese postage stamps. The Ministry of Foreign Affairs has protested to Tokyo against such action as constituting a breach of the Postal Convention.

The Ministry of Communications has received a telegram from the Federation of National Salvation Unions urging that effective measures be taken to frustrate the attempt of Japanese residents in China to establish post offices in the various ports. The telegram points out that such action is in contravention both of the Washington Treaty, which calls for the abolition of foreign post offices in China, and the International Postal Convention, which guarantees the integrity of the postal administration of each of the member-States. The telegram threatens that should the Government fail to take effective measures, patriotic citizens may feel constrained to resort to drastic measures themselves.

Jewish Colonists from Germany, France and Argentine Arrive in Siberia

A party of 117 emigrants from Germany, France and the Argentine recently arrived in Birobidjan, a territory in Eastern Siberia set aside by the Soviet Government for settlement by Jewish colonists. The new arrivals are stated by *Tass* to have all fled from the horrors of unemployment resulting from the economic crisis in their respective countries. The party includes many highly skilled workers and one mechanical engineer.

American Imports into Manchuria Decline

BY JOAN CARTER VINCENT
U. S. Consul at Mukden China
(U. S. Commerce Reports, June 13, 1932)

PRIOR to 1930, United States trade with Manchuria through the port of Dairen offered much promise of gradual expansion. Direct American imports at Dairen in 1929 reached a value of over $16,000,000, or 8.4 per cent of the port's total foreign receipts. It is estimated, however, that Dairen's direct imports from the United States had declined to $3,000,000, representing only 5 per cent of its total import trade in that year. A similar decline, however, occurred in Manchuria's trade with all countries, beginning with the year 1930. Thus, Manchuria's imports through Dairen in 1929, which was considered a fairly prosperous year, reached a total of $140,000,000, while in 1931 they fell to the low figure of $60,000,000. American imports, however, suffered comparatively the most severe decline. Maritime Customs returns indicate that Dairen's total imports in the first quarter of the current year aggregated 29,000,000 yen, as compared with 25,000,000 in the similar period of 1931. (Average value of yen in first quarter, 1931, $0.494; and in 1932, $0.34.) Dairen's direct imports from the United States during the 1932 quarter declined in value to $146,000 from $542,000 during the 1931 three months.

Chief among the factors responsible for the Manchurian trade decline were the low state of world trade, with resultant weak markets for Manchuria's staple export products, and heavily depreciated silver that adversely affected sales of foreign goods. Coupled with these factors should be mentioned the Sino-Soviet dissension in late 1929 and during 1930, and the Sino-Japanese military activities beginning in September of 1931, which caused almost complete stagnation of an already distressed trade situation.

Low Silver Places American Import Goods in Luxury Class

The percentage of decrease in American and European imports in 1931, compared with 1929, is much greater than the decrease in imports from Japan and other eastern sources, for the reason that American and European import commodities partake more of the character of luxuries than do those of eastern suppliers. The foreign article, is more readily dispensed with a people whose purchasing power is curtailed by a heavily depreciated silver currency. Moreover, large quantities of American goods enter Manchuria as transshipments from Japan and Shanghai, thereby losing their identity as American goods.

Imports via Japan Which Lose Their Identity

The loss of identity through transshipment from Japan is particularly evident in Manchuria's imports of motor vehicles and machinery. Japan also produces virtually no wheat, but imports considerable quantities of American wheat which it mills for the Manchurian market. This appears in Dairen's import returns as flour from Japan. The latter country also imports a large volume of American crude oil, which it refines and eventually sells in the market, with lubricating oil greatly exceeding kerosene and gasoline.

Rough estimates place the value of finished American products imported into Manchuria via Japan and Shanghai during 1929 at $3,000,000, thus bringing Manchuria's total of American imports in that year to about $20,000,000, as compared with a total of $3,500,000 calculated on a similar basis in 1931.

Petroleum Products Largest American Item—Motor Vehicles Mostly American

Petroleum products comprise the largest item of American import into Manchuria. American companies distribute the greater portion of such products passing through Dairen, but a British company which occupies second place has a large share of the trade. Russian petroleum products in recent months have ranked first in the North Manchurian market. The market for lubricating oils and gasoline, although feeling the effects of low business conditions, promises to expand concurrently with progress toward the mechanization of industry and the increased employment of gasoline-propelled machinery.

With the exception of a few European automobiles that find their way into Manchuria for the use of foreigners, practically all motor-vehicle imports are American, originating either directly from the United States or imported via Japan. Any expansion of this market must await the construction of highways, of which there are at present very few suitable for automobile traffic outside of cities.

United States Share of Iron and Steel Trade Not Large

The United States share of the iron and steel trade, while not large when based on percentages, nevertheless, indicates possibilities of successful competition. Trade in steel rails is interesting in that it evidences growng importance in Manchurian trade of rails manufactured in Dairen, the returns of 1931 indicating that more rails were forwarded to the interior in that year than were imported from abroad. The absence of new railway construction in 1931, and only slight replacements undertaken, were responsible for the decline in imports of rails in that year. Tinned plates are used almost exclusively by oil companies in the manufacture of containers for these products, and Dairen's imports of this commodity represent plates used by American companies in Manchuria.

United States Supplies 12 Per Cent of Machinery and Electrical Equipment

American machinery finds a comparatively good market in Manchuria. The principal kinds included under this heading in the table are agricultural, printing, propelling, textile, pumps, and electric power stations. American suppliers, however, are interested principally in agricultural, propelling, pumping, and electrical machinery. The United States supplies about 12 per cent of this trade, while Japan's share increased from about 40 per cent in 1930 to 60 per cent in 1931. Total machinery imports in 1931, however, declined more than one-half, indicating that in a depressed market the cheaper Japanese machinery was better able to hold its own than either American or European. A quantity of American machinery also passes through Dairen as imports from Japan.

Electrical equipment includes such articles as electrical household apparatus, batteries, and lighting fixtures, but does not include heavy electrical machinery. The United States supplied about 12 per cent of Manchuria's 1931 imports of electrical equipment, consisting chiefly of the best grades. The cheaper grades are supplied by Japan.

Imports of American Railway Materials Show Decline

The share of the United States in Dairen's total imports of railway materials has shown a gradual decline concurrently with the enlarged equipment of Japanese and Dairen manufacturers to supply demands. Local manufacturers, however, still are not in a position to supply heavy equipment of the first grade, nor are Chinese railways financially able to purchase such equipment.

Japanese-Milled Flour from American Wheat—American Lumber Supplies

As will be noted in the table, flour is an important commodity of import into Manchuria. A poor wheat crop in Manchuria in 1929 was responsible for heavy imports during 1930. During 1931, 40 per cent of the flour was imported directly from the United States, and the balance of 60 per cent came from Japan, the latter representing almost wholly American wheat milled in Japan.

There is always a certain demand in Manchuria for foreign lumber, particularly, when quality is a factor. While local supplies naturally predominate, imports in 1930 were active, and American exporters shared in this market to the extent of over 10 per cent of the total. Lumber imports declined precipitately in 1931, but the American share was well maintained.

Japan Has Practical Monopoly of Cotton Textiles—Raw Cotton

The cotton piece-goods import into Manchuria in the past has been almost wholly a Japanese monopoly. During the last year, however, sales of Soviet Russian piece goods have shown a gradual growth, and may offer severe competition in both North and South Manchuria. American piece goods do not participate in the Manchurian market.

Woolen goods sales are shared by Japanese and European importers, with American participation insignificant.

Manchurian imports of American raw cotton come directly from the United States or are obtained indirectly via Japan. Considerable quantities of Indian cotton also are in demand. Very little cotton is imported from other than these three sources. Japan is a large importer of American cotton, and includes in its purchases considerable quantities for resale in Manchuria.

Specialties of Interest to American Producers

Numerous items of import not appearing in the accompanying table are of interest to American manufacturers, particularly aniline dyes and indigo. European manufacturers contribute the greater part of the requirements for this commodity, which in 1929 was valued at $7,400,000, but American dyes and indigo supply a profitable share of the total.

Of a total of about 2,000,000 pounds of leather imported into Manchuria during 1929, a large portion came from the United States.

American manufacturers also supply a considerable part of Manchuria's demands for building material and plumbing equipment.

Dairen Receives Greater Quantity of Manchuria's Imports

In the table only imports at Dairen are included, excluding that trade passing through Newchwang and Antung, the other two Manchurian seaports. The import through Newchwang is generally about one-tenth of Dairen's total, and Antung's receipts are negligible. Direct imports from the United States, excepting some petroleum products and transshipments from Shanghai, all pass through Dairen. The following figures, therefore, may be considered as representing only slightly less than 90 per cent of the total imports into South Manchuria:

Principal imports into Dairen: Volume originating in Japan and in the United States and volume forwarded to Manchuria

Commodity and unit		1930				1931			
		Japan	United States	Total	Forwarded to Manchuria	Japan	United States	Total	Forwarded to Manchuria
Iron and steel, ungalvanized angles and bars, wire nails, pipes and tubes, sheets, plates, tinned plates	[1]tons	17,468	2,467	54,764	25,093	18,980	950	33,534	15,880
Iron and steel, glavanized sheets and wires	do	10,346	19	10,834	6,977	5,686	——	6,287	3,440
Rails	do	26,650	2,297	29,024	21,257	705	216	950	4,296
Railway materials	dollars	1,110,667	158,704	1,968,530	2,212,482	392,632	52,476	699,871	1,435,126
Machinery and parts	do	1,676,365	565,438	4,241,058	1,481,636	1,117,947	226,520	1,810,272	680,303
Electrical materials	do	1,572,970	80,606	1,975,269	886,811	1,032,522	159,219	1,282,860	388,479
Cement	do	49,995	——	50,000	253,909	29,420	——	30,995	133,720
Timber, softwood	1,000 feet	14,030	2,788	25,755	3,057	16,277	2,380	22,030	1,761
Motor cars and trucks	number	[2]	[2]	630	293	88	52	175	144
Gasoline, naphtha, benzene	gallons	[2]	[2]						
Kerosene	do	247,884	8,129,675	2,915,255	1,350,520	114,821	1,989,170	2,007,516	665,443
Lubricating oil	do	418,658	2,305,936	9,419,200	6,866,777	477,152	1,896,005	2,396,437	2,005,848
Cotton, raw	[1]tons	[2]	[2]	2,993,286	461,921	546,452	779,905	1,354,716	1,794,792
Cotton goods—gray and white sheetings and shirtings, plain dyed, plain-dyed drills and jeans, Turkey reds and T-cloths	pieces	494,321	152	10,558	5,237	9,075	2,990	12,865	5,616
Woolen serges, ventians, and suitings	yards	[2]	[2]	540,896	126,771	468,608	——	486,290	149,881
Flour, wheat	barrels	24,341	56,593	940,220	461,767	224,281	496	559,941	64,436
Sugar, refined	tons[1]	21,315	——	97,342	59,374	32,300	24,206	57,756	26,671
Cigarettes	millions	24,804	1,710	31,077	17,576	24,907	——	33,019	7,244
Leaf tobacco	tons[1]	[2]	[2]	1,566,307	1,266,573	22,515	6,070	104,480	165,239
Paper, printing	do	8,747	——	4,921	4,890	852	764	2,559	2,081
Medicines	dollars	260,104	334	10,359	3,812	6,091	——	6,561	2,887
Soda, ash and caustic	tons[1]	1,229	——	388,643	199,757	196,476	4,770	285,375	138,114
Soap, bar and toilet	dollars	298,889	857	9,230	5,223	1,882	84	6,928	2,653
				341,411	268,786	136,846	209	149,507	89,237

[1]Ton=2,240 pounds.

[2]No figures available.

Japan Supplies Bulk of Miscellaneous Imports

The bulk of the cement used in Manchuria is manufactured in Dairen, and is disposed of at prices consistently under those of the American product.

Importation of foreign cigarettes is primarily for foreign smokes. Cigarettes for the Chinese market either are manufactured in Manchuria (by a large European factory in Mukden) or are brought from Shanghai.

Dairen is also the source for most of the window glass used in Manchuria, with additional small amounts imported from Europe and Japan. American participation is negligible.

Over one-half of the prepared medicine demand is supplied by Japan. American medicines, however, are imported in small quantities, indicating that competition is possible.

Japan monopolizes the market for printing paper, and it is believed that American stock can not compete successfully at present price levels.

Bar and toilet soap is imported mostly from Japan. American soap is purchased only for foreigners and western-trained Chinese.

Sugar is an important item of import into Manchuria. Japan (including Taiwan) has the major portion of the trade in refined sugar and sugar candies.

Tobacco leaf is an important item of American import into Manchuria. Although statistics indicate that Japan is a large supplier, the greater portion of the Japanese import Manchuria is American leaf.

New Members Added to Northern Political Affairs Committee

At a meeting of the Central Political Council at Nanking August 3 under the chairmanship of President Wang Ching-wei, ten members were added to the Northern (Peiping) Political Affairs Committee while the number of its Standing Committee was increased from nine to eleven persons.

The following are the ten new members appointed: Chang Chun, Wellington Koo, Wang Shu-chang, Liu I-fei, Yi Pei-chi, Shih Yu-san, Sun Tien-ying, Liu Shang-ching, Wang Ke-min, and Chin Te-shun.

Chang Chun and Liu Chch were made additional members of the Standing Committee.

Nanking Supplies Ammunition to Northeast Volunteers

A quantity of arms and ammunitions which are being supplied by the National Government in compliance with a request recently made by General Chu Hsiao-chin, Commander-in-Chief of the North Eastern Volunteers, passed through Tsinan August 3 for Manchuria. Twelve machine guns, 6 trench mortars, 600 rounds of shells, 180 hand grenades and about 300,000 rounds of cartridges were included in the shipment.

Sir Frederick Maze Issues Official Statement on Manchukuo Customs Seizure

Sir Frederick Maze, Inspector General of Customs, issued the following statement, dated July 21, 1932, concerning the seizure of the Manchurian Customs Houses.

ONE of the first acts of the "Northeastern Administrative Committee," the controlling body of the so-called "Manchukuo Government," which was formally established on February 17, 1932, was to notify the Superintendents of Customs at the Manchurian treaty ports that the Customs belonged to Manchukuo, and would, in future, be under the control of the Northeastern Administrative Committee. At the same time, Superintendents and Commissioners of Customs were instructed to carry on their duties as usual, and were informed that a Japanese Customs Adviser had been appointed to each Manchurian port for the purpose of supervising the general Customs administration. The following brief account is intended to show the steps by which the Manchukuo Government first immobilised the Customs revenue, then seized the Customs funds accumulated in the several banks of collection and deposit, and finally, by *force majeure*, ejected the lawful Commissioners of Customs and took forcible possession of the Chinese Customs Administration.

The ports concerned, with the 1931 revenue collected at each, are as follows:—

Lungchingtsun	Hk. Tls.	574,000
Antung	,,	3,682,000
Newchwang	,,	3,792,000
Harbin	,,	5,272,000

The Manchurian port of Aigun, which is outside the sphere of control of the Manchukuo Government, has not been affected, and is still functioning normally under the control of the Chinese Government. The immobilisation of the Chinese Customs revenue at Dairen, and the introduction of a Manchukuo Customs Administration at that port, are dealt with separately, and form a special section at the end of this Memorandum.

Lungchingtsun:—A. G. Wallas, Acting Commissioner (British).

During the second week of March, the Superintendent of Customs at Lungchingtsun notified the Commissioner that the Northeastern Administrative Committee had appointed a Japanese Adviser to the Customs with whom all questions were to be discussed.

Drastic action against the Customs was, however, postponed until late in June when, on the 22nd, the Japanese Adviser ordered the Bank of Chosen—the Customs bank—not to honor cheques drawn by the Commissioner. The Bank of Chosen, being a Japanese institution, and therefore not subject to control of the Manchukuo Authorities, had no legal right to refuse to obey the Commissioner's instructions regarding the disposal of Customs funds.

On the 29th June, a party consisting of the Superintendent, the Japanese Adviser, Miyamoto, and Major Inouye, a Japanese Army Intelligence Officer, came to the Custom House. While the Adviser and Major Inouye remained outside, the Superintendent entered the Custom House, accompanied by guards with drawn pistols, and demanded the surrender of the Customs. In the face of such *force majeure* the Commissioner had no option but to yield. Whereupon the Superintendent called in the Japanese Adviser and announced that the latter had been appointed Commissioner of Customs.

The last remittance of Customs revenue from Lungchingtsun was sent on the 22nd June, 1932.

On the 12th July, the Inspector General sent the following despatch to the Japanese Legation, which has not yet been acknowledged:—

Sir,

I have the honour to state for your information that Mr. A. G. Wallas, the Acting Commissioner of Customs at Lungchingtsun, reports that he and his Staff have been ejected from the Custom House by armed men, acting under the orders of a Japanese "Adviser," who, he states, was accompanied by Major Inouye, the local Japanese Intelligence Officer. The Commissioner further intimates that Mr. Mackenzie, a Chinese Customs Officer of British nationality, in charge of the sub-station in Hunchun, has also been forcibly prevented from exercising control of the office and, like Mr. Wallas, seems to be in considerable personal danger. In view of the above facts, I have the honour to request you to be good enough to enquire why the Japanese Military Authorities, as represented by the Intelligence Officer, were associated with the Adviser in active interference with Chinese Customs' Officers?

(*Signed*) F. W. MAZE,
Inspector General of Customs.

Antung: R. M. Talbot, Acting Commissioner (American).

The first intimation of interference with the Customs at Antung was given privately by the Japanese Consul to the Commissioner early in March, when the Consul advised the Commissioner that he must be prepared for a request from the Superintendent to hand over the Customs to Manchukuo control. The appointment of a Japanese Customs Adviser followed shortly, but this official took no active steps until the middle of June, when he transmitted definite orders from the Manchukuo Ministry of Finance to the Bank of China to the effect that Customs funds were no longer to be remitted to Shanghai. From this time, therefore, the collection of revenue accumulated in the Bank of China until the 16th June, when four armed Manchukuo Police, accompanied by the Japanese Assistant Superintendent of Police, visited the Bank of China and informed the Manager that they had come to "guard the revenue". On the 19th June the Bank of China handed over to the Three Eastern Provinces Bank Tls. 783,000,—and informed the Commissioner that this action was taken as a result of *force majeure*.

A portion of the Customs revenue at Antung is deposited in the Bank of Chosen, which, being a Japanese institution enjoying extraterritorial status, is not amenable to the jurisdiction of the Manchukuo Authorities. Nevertheless, the Bank of Chosen declined to remit Customs funds and stated that they had had instructions from their Head Office in Seoul to hand over all Customs funds to the Manchukuo Government. It was reported to the Commissioner that the Head Office of the Bank of Chosen had referred the question to the Japanese Foreign Office and the Japanese Ministry of Finance.

Having thus seized the Customs revenue, the next step was the seizure of the Customs Administration. On the 26th and 27th June, the Japanese Adriser demanded that the Custom House be handed over to him. The Commissioner refused to hand over, and on the 28th June, the Superintendent, Adviser and ten Secretaries, etc., entered the Custom House and demanded the keys. The Commissioner again refused to comply, and two armed Manchukuo Police (both Japanese subjects) then entered and repeated the demand. The Commissioner once more refused, when four Manchukuo Police (all Japanese subjects) with rifles and fixed bayonets entered and surrounded the Commissioner at his desk. The Commissioner thus had no option but to yield to *force majeure*, and left the Custom House, after a final protest to those concerned in the seizure.

On June 27, members of the Antung Staff (25 Japanese and 2 Koreans) resigned from the Chinese Customs Service. The Commissioner then withdrew the remaining loyal Staff to his house, which is situated in the Japanese-controlled Railway Zone, and attempted to continue to carry on the work of the Customs.

On the same day, the Japanese Adviser Sakikawa, with two armed Japanese in plain clothes, entered the Commissioner's house and demanded possession of the Customs archives, which the Commissioner had previously brought from the Custom House for safe keeping, stating that if the Commissioner refused to hand over, he was prepared to take them by force. The Commissioner protested against the forcible entry of armed agents into his house, the residence of an American citizen, located in the Japanese Settlement, and asked the Adviser if he was acting with the knowledge and consent of the Japanese Consul. The Adviser replied that he was acting on instructions from Changchun and was prepared to ignore the Japanese Consul. The Commissioner again refused to give up the Customs archives, whereupon three more Japanese in plain clothes entered his house. The Commissioner, however, declined to surrender his archives, whereupon the Japanese drew their revolvers, and the Commissioner was thus forced at the point of the pistol to surrender the archives, which were immediately removed from his residence.

In the meantime, the Commissioner sent a Customs Officer of British nationality to the Japanese Consulate, which is located next door to the Commissioner's house, with a request for assistance. The Consul was out and the Vice-Consul declined to take any action to prevent the forcible removal of the Customs archives.

As 80% of the Antung Customs revenue is collected in the Japanese-controlled South Manchuria Railway Zone, the Commissioner attempted to carry on the Customs work there, in the belief that the Japanese Authorities would not permit interference therein by the Manchukuo Police. Unfortunately, such did not prove to be the case, and the Manchukuo Police entered the Railway Zone, arrested four of the Customs Staff and intimidated the remainder. As he was powerless to protect the lives of his Staff, the Commissioner was forced to suspend work entirely within the Railway Zone.

The last remittance of Customs revenue from Antung was sent on the 19th April, 1932.

Newchwang: N. R. M. Shaw, Acting Commissioner (British).

On the 26th March, the Japanese Adviser demanded that the Bank of China hand over accumulated Customs funds and future collection to the Three Eastern Provinces Bank. The Bank of China yielded to this demand under threat of *force majeure*. Half of the Customs revenue at Newchwang is lodged in the Yokohama Specie Bank which, being a Japanese, extraterritorialised institution, is not subject to the control of the Manchukuo Authorities. Nevertheless, when the Commissioner instructed the Yokohama Specie Bank to remit accumulated balances to Shanghai, the Manager of the Bank declined to do so on the grounds that the Manchukuo Government had requested him not to remit. No action was taken against the Customs Administration until the 27th June, when the Custom House was seized by the Superintendent, the Japanese Adviser and a detail of armed police. The Japanese Staff resigned *en bloc* from the Chinese Customs Service and joined the Manchukuo Customs, and Mr. Ehara, formerly Chinese Customs Assistant, was appointed Commissioner of Customs by the local Authorities. The Chinese Staff were compelled by force to continue to work at the Custom House and one man who attempted to cease work was arrested and imprisoned.

The last remittance of Customs revenue from Newchwang was sent on the 16th April, 1932.

Harbin: H. E. Prettejohn, Commissioner (British).

At the end of March the Manchukuo Authorities seized the Customs revenue in the Bank of China, Harbin, and forced the Bank to agree to pay over future collections to the Three Eastern Provinces Bank.

For the next two months the Commissioner and his Staff carried on their usual functions, although constant pressure was brought on them to join the Manchukuo Customs. The real intentions of the local Authorities were disclosed on the June 26 when, at midnight, armed Manchukuo Police, led by a Japanese, surrounded and took possession of the Custom House. The next morning the Commissioner attempted to enter the Custom House, but found it sealed and guarded. During the course of the day, Japanese in plain clothes (who admitted that they belonged to the Japanese Military Mission) called at the private residences of Chinese and Russian Customs employees and attempted to force them to sign document promising that they would work for the Manchukuo Customs. The Japanese Adviser, accompanied by police, called on E. J. Ohrnberger, the Deputy Commissioner (Russian), and offered him the post of Commissioner, *plus* £8,500 in cash, if he would take charge of the Harbin Customs for Manchukuo. Mr. Ohrnberger refused to be bribed, and a few days later he was arrested and imprisoned for five days. Many other Customs employees were arrested, including E. T. Schjoth, a Norwegian, who was the Assistant in charge of the Harbin Customs sub-office at Manchuli. The entire Chinese Staff was ruthlessly intimidated, and even the Commissioner's house was surrounded by Manchukuo police.

The next action of the Manchukuo Police was the search of the Commissioner's house and the seizure of Customs archives stored therein, while their latest move has been to order the Commissioner and all other Customs employees to vacate their residences,

The last remittance of Customs revenue from Harbin was sent on the March 28, 1932.

Dairen: J. Fukumoto, Commissioner (dismissed) (Japanese).

(Collection, 1931: Hk. Tls. 12,448,000).

At Dairen, the Customs function by virtue of a separate Customs Agreement with Japan (1907), which holds Dairen on lease from China; and, in view of the fact that the Japanese Government has entire and sole administrative control of the Leased Territory (in which Dairen is located), it was naturally not anticipated that there would be any interference with the Chinese Customs Administration there. Such, however, did not prove to be the case.

Up to the June 7, the Dairen Customs revenue was remitted regularly at intervals of three or four days. No remittances having been received between 7th and 14th June, however, the Inspector General telegraphed to Dairen to enquire the cause of the delay. In reply, Mr. Fukumoto, the Commissioner, wired that he had hesitated to remit the revenue as such action would precipitate a crisis! Mr. Fukumoto added that Mr. Kawai, Chief of Section for Foreign Affairs of the Kwantung Government, had advised him that the Manchukuo Government's claims to Manchurian Customs revenues were well founded.

After a further exchange of telegrams, Mr. Fukumoto reluctantly prepared to obey the Inspector General's instructione, and had practically completed arrangements to remit the revenue to Shanghai, when Mr. Kawai (who, it should be emphasized, is a Japanese Government official and not an official of the Manchukuo Government) intervened and insisted that remittances should be postponed.

The Inspector General thereupon warned Mr. Fukumoto on the 22nd June that continued failure to execute instructions would be considered tantamount to insubordination. Mr. Fukumoto replied and said that he had been cautioned that if he carried out the Inspector General's instructions, Japanese interests would be adversely affected, and he therefore declined to remit the revenue—*i. e.*, he executed the orders of the Kwantung Authorities and refused to obey the legitimate commands of the Inspector General. Mr. Fukumoto was dismised for gross insubordination on the 24th June.

Following the dismissal of Mr. Fukumoto the Inspector General appointed Mr. Nakamura, Deputy Commissioner, to take temporary charge of the Dairen Customs. Mr. Nakamura resigned immediately, and on the 26th June all but one of the Japanese members of the Customs Staff at Dairen (*i, e.*, 62 employees) telegraphed to the Inspector General that they had several all connection with the Chinese Maritime Customs.

The Inspector General, in accordance with the terms of the Dairen Customs Agreement of 1907, referred to above, nominated H. Kishimoto to be Mr. Fukumoto's successor as Commissioner at Dairen, and requested the approval of the Japanese Legation to this appointment on the 25th June. Up to the present, four weeks have passed and no reply whatever has been received from the Japanese Authorities.

After the dismissal of Mr. Fukumoto, the Manchukuo Government organized a Customs Office in Dairen, led by Mr. Fukumoto and staffed with former Japanese employees of the Chinese Customs Service, which is now illegally collecting revenue in the Chinese Customs Wharf Office.

Important Appointments Made in Kwantung Army

Among the transfers and appointments of the Commander-in-Chief and the headquarters staff of the Japanese Kwantung Army made on August 8 were the following:

General Nobuyoshi Muto, Member of Supreme Military Council, to be Commander-in-Chief of Japanese Kwantung Army.

Lieut.-General Shigeru Honjo, Commander-in-Chief of Japanese Kwantung Army, to be a Member of Supreme Military Council.

Major-General Yasuji Okamura, of Military Ordnance Department and concurrently Chief of the Commission for Investigation of Military Affairs and ex-Vice Chief of Staff to Japanese Expeditionary Force to Shanghai, to be the Vice Chief of Staff to Japanese Kwantung Army. Other changes will include Lieutenant-General Honjo, who will be appointed Military Councillor.

Anti-Opium Association Opposes Opium Monopoly

Garfield Huang, general secretary of the National Anti-Opium Association of China, in a recent circular letter continues his emphatic protests against the establishment of an opium monopoly in China. He quotes from reports that the National government intends to introduce an opium monopoly, but also at the same time points out that on June 19 the Government issued a strongly worded mandate threatening severe punishment against those officials who were negligent in enforcing the anti-opium laws. Mr. Huang expresses the hope that this mandate will not fail the people again.

Inside Story of the Twenty-One Demands

(The following revealing story of the Japanese presentation of the Twenty-One Demands upon China in 1915 was dictated by the late Bishop James W. Bashford a year before his death, but never was published until recently when it appeared in the June 29 issue of Zion's Herald. The article is of special interest today in that it reveals the "double" nature of Japanese diplomacy in dealings with China as well as the rest of the world).

IN the fall of 1914 I visited Tokyo, Japan, in the interest of the Chinese Church, for which I have had the responsibility since 1907. Bishop Harris asked me if I would not like to have an interview with Count Okuma, then Premier of Japan. I said, "Did Count Okuma suggest this interview?" He smiled and said, "Yes." I replied that I would be glad to have an interview with him, and suggested that Dr. Frank Mason North of the Board of Foreign Missions and Dr. William I. Haven of the American Bible Society accompany me. The interview was arranged for the next day.

Count Okuma's object in the interview was to convey through me a message to China which would keep China from declaring war or making trouble over the invasion of China by Japanese troops, who were trying to reach Kiaochow, or Tsingtao, from the rear and were thus violating the sovereignty of China as Germany violated the sovereignty of Belgium.

During the interview Count Okuma said, "There will be no war with China so long as I am Premier." Again he affirmed a little later, "Japan will be guilty of no aggression upon China while I am Premier."

Returning to China, I did not immediately call upon the Chinese Government and deliver Count Okuma's message, but waited until I could make up my mind as to the wisest advice to give to China. On account of this delay Dr. Hioki, Japanese minister, called upon me a few days after I reached Peking, saying he had just received a cablegram from Count Okuma directing him to call upon me and requesting me to state to Dr. Hioki the substance of his interview with me.

As I thought Dr. Hioki belonged to the war party and Count Okuma to the peace party, I stated very clearly Count Okuma's pledge to me. Dr. Hioki wished my judgment more fully as to the wise attitude for Japan to maintain toward China, next toward Russia, next toward Great Britain, and lastly toward the United States. He spent the entire afternoon with me asking questions and listening to my statements upon this subject. I tried to show that the wise policy for Japan was to maintain peace so far as possible with all these nations and to become the commercial and industrial leader of the Far East and so far as possible of the Pacific Basin, as Great Britain had been the industrial and commercial leader in the Atlantic Basin, and to secure the intellectual and moral hegemony of the Far East, instead of striving for political domination through force.

As I was very hurried in preparations to start on a tour of West China, I completed the preparations in the next three or four days and called at Dr. Hioki's office and told him that I must take a train in a short time and had only time now to pay my respects, but that I would return his call and have a further conversation with him when I came back from Szechwan in the spring.

The Bishop as a Message Bearer

After Dr. Hioki's call, I called upon Admiral T. K. Tsai and told him that I came with a message from Japan for the truthfulness of which I was no more responsible than a messenger who delivers a telegram. I then told him of the interview with Count Okuma and with my later interview with Dr. Hioki. I think Admiral Tsai carried this news to Yuan Shi Kai and then came to me for a second interview. At any rate, Admiral Tsai told me that Yuan Shi Kai wanted to know my judgment as to whether Count Okuma would keep his pledge. I told him that I thought Count Okuma was honest in making the pledge and that he would gladly keep it if he could, but that in my judgment either he would be forced to make some large demands upon China or else he would be forced out of office, and the military party would secure the leadership in Japan.

He asked me what I would do if I were in his place and if Japan made large and unjust demands. I told him that while he could not make a long stand against a Japanese invasion, and while China would soon lose the coast cities and Peking, nevertheless he could wage such a war as the Americans waged during the Revolution, as the Spaniards and Russians waged against Napoleon, as the Boers waged in their recent war against Great Britain, and as one Chinese general waged in Fukien against an invasion from Formosa; that he could destroy railways and all that was valuable to the enemy, continually falling back and waging guerrilla warfare; and that if he once set the example of guerrilla warfare the Chinese would follow it all over the nation, and that with the lack of railways and the great size and population of China as compared with Japan, I was sure the Japanese never could subdue the Chinese people.

I learned afterward from Admiral Tsai that this advice furnished Yuan Shi Kai great comfort, and that he talked over the plan three or four times with Admiral Tsai during the winter and assured him that he would follow it in case Japan was guilty of aggression upon China.

I then hastened my preparations for the trip to West China, reaching Peking in a few days.

On coming back from West China in February, I continued on the boat down the Yangtze to Shanghai in order to meet the executive members of the Continuation Committee. Before reaching Shanghai, I had been somewhat alarmed by reports appearing in the newspapers of some very serious demands which Japan had made upon China. On reaching Shanghai, I received a letter from Dr. H. H. Lowry of Peking telling me that the Chinese Government had called for me and desired my immediate return to Peking. Dr. Lowry said Admiral Tsai had informed him that Japan had made 21 Demands upon China and that the last seven of these, called Group 5, practically transferred the sovereignty of China to Japan. Dr. Lowry urged me to return to Peking as soon as possible.

As the events had occurred which I feared in the preceding fall would happen, and as I had already given Yuan Shi Kai all the advice I could now give, it seemed to me wiser to tarry for the meeting of the Executive Committee and see if I could not devise some plan for interesting America on China's behalf. I arranged an interview with Bishop Roots, chairman of the Executive Committee, told him what had happened and also informed him that I was disposed to break the rules, both of the Government and of the missionary societies, by interfering in political affairs far enough to inform our Government, through the American minister, of what was transpiring in China and to urge the Government to launch a strong protest with Japan against her demands upon China.

After discussing the matter, Bishop Roots said: "I know that you stand in a confidential relation to the Chinese Government and have information which the rest of us do not possess. Hence, if you feel sure of your ground and wish to send such a message to the Government, I will join you in sending it." I urged him also to see Bishop Graves and secure his consent to sign such a message. He canceled an engagement to dinner to call that evening, went out to St. John's College, met Bishop Graves, and did not return until midnight. After returning he blocked out a short statement to the American Government.

The Message to Dr. Reinsch

In the morning he told me that Bishop Graves was deeply concerned, that he would sign a very conservative statement provided he could approve its contents and form, and showed me a statement which he thought Bishop Graves would sign. I asked him to let me revise the statement and I directed it to Dr. Reinsch, our minister to China. I opened it with an introduction somewhat as follows (as I am dictating from memory without access to the letter which Dr. Lowry wrote me, or the cablegram which we framed for our Government, I cannot give the exact language used, but I am quite sure that I am giving the substance of these documents):

> If Japan has made no demands upon China, or if she has made demands and these demands do not trespass upon the sovereignty of China, please do not send the accompanying dispatch to Washington. On the other hand, if Japan has made demands which seriously threaten the sovereignty of China, please send the following dispatch to Mr. Bryan with the signatures attached.

This form of introduction put the responsibility for the genuineness of the 21 Demands upon Dr. Reinsch. I was sure that he had been consulted by the Chinese Government and that he would know whether or not such demands had been made, and this introduction led Bishop Graves and the representatives of other churches freely to sign the dispatch to the United States Government.

I then took the paper to our consul-general at Shanghai, who had spent several years in Japan and who had a high opinion of the Japanese. He first told me that he was sure that Japan had made no such demands upon China. On my assuring him that I could personally vouch for the demands, he said he would send our request and our dispatch to Dr. Reinsch for me, and he himself suggested adding to the dispatch a few words on the very serious effect Japanese intervention in China would have upon our commerce with the Chinese. I thought the suggestion was a good one and incorporated it. Bishop Roots then took the paper as revised by myself back to Bishop Graves, who readily signed it, and also to Dr. Hawks-Pott, who also signed it. This made three representatives from the Protestant Episcopal Church. I then took the paper to Dr. A. P. Parker of the Methodist Episcopal Church, South, told him the facts, and he signed it. I also secured the signatures of the following additional persons: Dr. Chambers, chairman of the Baptist Council in China; Dr. Garrett, acting moderator of the Presbyterian Assembly for China; Dr. Lobenstine of the Presbyterian Church. Later I secured the signature of Dr. Arthur Smith of the American Board. Dr. Gamewell and myself signed it for the Methodist Episcopal Church.

These interviews and the signing of the paper occurred between Feb. 20 and 25, 1915.

On Feb. 25 I started for Peking, arriving there Feb. 27. Feb. 28 I called on Dr. Reinsch, but he was not in. March 1, I had an important interview with Dr. Reinsch in which he told me that he had forwarded the dispatch to the American Government. He urged me to write to Melville E. Stone, secretary of the Associated Press, to call upon Dr. Hioki, and to urge Professor C. T. Wang and Professor H. H. Kung not to influence the Chinese to violence, but to urge them to preserve calm in the face of Japanese aggression. I in return urged Dr. Reinsch to see Sir John Jordan and impress upon him the injustice of Great Britain's sanctioning, on the part of Japan, outrages which are greater than the demands made by Austria upon Serbia, and even the outrages inflicted by Germany upon Belgium.

I did not ask Dr. Reinsch directly whether he and Sir John Jordan had been sent for by Yuan Shi Kai and consulted after Dr. Hioki had called upon Yuan Shi Kai and presented the 21 Demands. I received from other sources the information that Dr. Hioki had gone directly to Yuan Shi Kai with the Demands, and that after reading them to Yuan Shi Kai, the President asked the Japanese minister if he had presented them to the Foreign Department. On his reply that he had not gone to the Foreign Department but had come directly to the President, Yuan Shi Kai informed him that China was a constitutional nation and that the Demands must be presented through the Foreign Office, but Dr. Hioki, on taking his departure, had left a copy of the Demands upon the table and Yuan Shi Kai had called Sir John Jordan and Dr. Reinsch to confer with him over these Demands. It did not seem to me proper to ask Dr. Reinsch in regard to official matters on which perhaps he ought to preserve secrecy.

After returning from the call upon Dr. Reinsch with the promise to him that I would call upon Dr. Hioki, I was confronted with another difficulty.

When the Correspondents Were Lured Away

Just before the Demands were presented upon China, Dr. Hioki had sent for Mr. Moore, the agent of the Associated Press, and Mr. W. H. Donald, the representative of the *London Times*, and told them that the Japanese Government was to have an important function at such a time and had through him invited them to be present. The transportation, entertainment, etc., would of course be furnished at Government expense, and this would give them a fine opportunity to learn more about Japan. Each man accepted the invitation to visit Tokyo, leaving a subordinate to attend to his duties in Peking.

No sooner were these men out of Peking than Dr. Hioki presented the Demands to Yuan Shi Kai with no regular representative of either of these important news agencies in Peking. I think the following morning after the interview between Dr. Hioki and Yuan Shi Kai, some British authority sent for the subordinate who was representing the *London Times*, gave him a copy of the 21 Demands and also an additional copy for the representative of the Associated Press, and directed both of them to cable the Demands to the *Times* and the Associated Press. The Demands were so startling that Mr. Stone of the Associated Press did not publish them until he sent for Viscount Chinda at Washington and asked him if they were correct. Viscount Chinda at once repudiated the Demands and a little later, I think, secured a formal repudiation from the Government in Tokyo. Mr. Stone then sent a sharp cablegram to Mr. Moore asking for his authority and chiding him for sending demands that might create a war without first being absolutely certain that the demands were genuine. The *London Times* sent the same dispatch.

These men got back from Tokyo about the time I reached Peking, namely, the last of February or the first of March, and both of them came to me with their troubles. Mr. Moore had been greatly annoyed that his subordinate had sent any such dispatches to America during his absence, and asked him why he had not shown the Demands to Dr. Hioki, etc., and fianlly took his copy of the Demands to Dr. Hioki and asked him if they were correct.

Mr. Donald, the *London Times* representative, also came to me, bringing a copy of the Demands as they had been received by his subordinate, and telling me that he had received a sharp rebuke. Both men had sent their resignations—one to London and the other to New York.

Dr. Hioki promptly repudiated the Demands, assuring Mr. Moore that they were utterly false. Mr. Moore, however, had traced the Demands back to such a source as led him to feel very confident that the Demands were true. I did not ask Mr. Moore for the source of the information because it would be contrary to professional etiquette for him to reveal the source, but as I now contemplated a visit to Dr. Hioki and remembered that he had utterly repudiated the Demands, I left sure that he would again repudiate them and chide me for coming to him with a false and unjust accusation against Japan. I therefore asked James Lewis, my secretary, to go down once more and see Dr. Reinsch to get information as to the decline in American trade in Manchuria since Japanese occupation and to ascertain whether Dr. Reinsch's information as to the Demands came direct from Yuan Shi Kai. Dr. Reinsch dropped a clause in his response to Mr. Lewis which showed that he had been with Yuan Shi Kai. He also told Mr. Lewis that he had seen photographic copy of the 21 Demands in Japanese and that he had a translation of them. Going into another room and comparing it with his translation, he replied to Mr. Lewis, "Bishop Bashford, in showing the Demands to Dr. Hioki, need have no fear that he is making a false charge against Japan."

A Long Time to Subdue China

With this information, I called upon Dr. Hioki, began with strong statements of the pleasure which his call of the preceding fall had given me and of the confidence which he had established by consulting me upon the relations of Japan with the other countries, etc., and then said that, as Japan had made 21 Demands upon China, I wanted to talk with him frankly in regard to them, and immediately entered upon my first statement, to the effect that Japan could easily capture the port cities of China and capture Peking, but that Japan had been in Formosa since 1895-96 and had not yet subdued that island, although the island was small and she had a railway, and that she was still holding the island simply through military force. I added that if at the end of eighteen or twenty years they had not subdued an island of 3,000,000 people, how long would it take Japan to traverse the entire region of China and subdue 400,000,000?

I pointed out the fact that the Chinese in the Szechwan Province had resisted the Manchurian dynasty in the seventeenth century until they lost one quarter of their population; that the province now numbered some 68,000,000 people; that they were 1500 miles from the coast and 1000 miles from the nearest railway; that I had just been through the province and found some excitement and intense hatred of Japan, and that if that single province fought as desperately against Japan as she had resisted the Manchurians, Japan could not subdue that province alone in half a century.

I also pointed out the fact that the Chinese had fought in the Taiping Rebellion until they had lost in

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all some 20,000,000 people. I again impressed upon Dr. Hioki that a people so numerous, so warlike in spirit, and so given to guerrilla warfare could never be subdued and assimilated by the Japanese nation.

Second, I pointed out the fact that foreign nations would not permit Japan to dominate China; that if Japan once accomplished this task, she would immediately become a menace to the peace of the world; and that I was sure other nations would order her out of China as they compelled her to give up Port Arthur, after she captured it from China in 1895-96, and that I hoped Japan would not put herself in a position where she would be subject to such humiliation.

In the third place, I pointed out the very heavy indebtedness of Japan and tried to show that her true policy was that of commercial and industrial leadership, such as England had exercised during the nineteenth century, and above all, intellectual and moral leadership.

Dr. Hioki sat like a stone image listening to my remarks and he had not interfered to contradict them. At the close of my remarks, which lasted nearly half an hour, he did not contradict the statement that Japan had presented the 21 Demands against China, but said that I had been very bold in coming to him upon this subject, and that he thought I had come, not in the interest of China alone, or of America alone, but in order to preserve peace between the three nations, and he thanked me for coming.

I thanked him most profusely for his appreciation of my motives. He then added under considerable agitation, "I fear that Japan is following the German policy too far, but what can I do? I must obey the orders of my Government." I said, "You, like every other man, must make your own choice and determine your destiny. Were I asked to represent my Government in a course which I believed to be wrong and very dangerous to the Government, I should protest against the discharge of such a duty and should resign my post." I arose and departed at once.

Soon after, I called on Dr. Reinsch and learned that he had seen Sir John Jordan; that the latter was almost broken-hearted over the course Japan was pursuing, and that he felt that England was losing, or was in grave dranger of losing, in the Far East all that she had struggled for a century to gain; and that he had added in substance that England was in a life-and-death struggle with Germany and that America must, if possible, save China; that a break with China upon the part of England at the present time would be fatal to all her interests in the Far East and possibly in India and Australia. Dr. Reinsch suggested that I write a letter to Melville E. Stone of the Associated Press, with whom I have been in confidential relations for some years.

After the interview with Dr. Reinsch I wrote a four-page letter to Mr. Wilson enlarging upon the dispatch which we had sent to the State Department through Dr. Reinsch. I stated briefly why I thought a protest should be lodged with Japan against her 21 Demands, etc., closing with the statement that I was sending the Demands and a longer letter to Mr. Bryan. I then wrote Mr. Bryan, giving the 21 Demands and presenting the moral, political, and commercial grounds which I thought demanded an earnest protest upon the part of our Government. On the other hand, I was clear that our Government ought not to make any threats of a war with Japan because I felt sure that we could not carry troops 5000 miles and wage a successful war against a warlike nation like Japan. I urged that our Government simply notify Japan that in case she pressed the Demands upon China the United States would present at the close of the present war her protest to the Hague Tribunal and that we would join the other powers of the world in ordering Japan to surrender the suzerainty of China. I assured him that conversations with Japanese statesmen made me clear that Japan would not attempt to cross 5000 miles of ocean and attack the United States. Hence, I could speak very freely with the Japanese Government without danger of Japan's declaring war against us.

Dr. Gulick's Advocacy of Japan

I also wrote a letter to Mr. Stone, though I cannot now recall the substance of it. I also wrote a letter to Professor Shailer Mathews, who was at that time president of the American Federation of Churches [Federal Council of the Churches], and who had visited Japan in company with Dr. Sidney L. Gulick and who, with Dr. Gulick, was then making speeches in America very favorable to Japan. I enclosed a copy of the Demands, telling him not to publish them or give them out, but simply to be guided in his speeches by the fact that Japan had made such demands upon China. I also gave him permission to show the letter and the Demands to Dr. Gulick.

After writing these letters I called upon Dr. George Morrison, who was an adviser of Yuan Shi Kai. He assured me that the information was important and that he would convey it to Yuan Shi Kai that afternoon. A day or two later I had an interview, I think in company with Dr. Lowry, with Admiral Tsai. In this interview I briefly narrated what had been done and showed him the message of about two-and-one-half pages which the leading American missionaries in China had sent to our Government. When Admiral Tsai heard my statements he grasped my hand in both his and said, "I want to thank you in behalf of Yuan Shi Kai, or rather China, and assure you that nations, as well as individuals, are capable of gratitude." Admiral Tsai urged in behalf of Yuan Shi Kai that I should go to America at once and intercede for China. He also urged me to take money from the Chinese Government to cover my expenses, and suggested that I take $20,000 to begin with and draw on them for more after I reached America. I told him that I could not possibly go to America as the representative of China and hence could not accept a single dollar of Chinese money. He pressed this action upon me until I assured him, first, that I would go to America, but would go as the representative of my church and that I would not take a dollar of Chinese money, and that I would, on reaching America, see Mr. Bryan, and if necessary Mr. Wilson, in the interest of China.

The Bishop's Trip to America

After this interview I sent a telegram to Mrs. Bashford, who had met me at Nanking on the way down the river and who was still in Shanghai, asking her to engage passage on the boat sailing the next Sunday and to wire me a full description of all the articles she wished me to pack in the trunk and bring for her. She answered that she had engaged the passage and directed me to bring a particular trunk which she had described, as her things for the voyage were all packed in that trunk. This was due to Mrs. Bashford's foresight in having everything packed for any emergency, because she had no thought on going south that we were to go on to America. Accordingly, I left Peking, March 23, 1915, and the next Sunday we took ship for San Francisco.

On the way home at Nagasaki I sent James Lewis to Mr. Guthrie, the American ambassador to Japan, with a copy of the 21 Demands. He was very grateful for this copy—kept Mr. Lewis over an hour questioning him in regard to the Demands and my activities in China, etc. This was the first copy of the Demands which he had received, and he had only the general rumor that such demands had been made, but the answer of the Japanese to inquiries made by himself led him to assure Mr. Lewis that I was entirely mistaken in regard to the existence of any such demands.

On board the ship Rev. H. Loomis gave me much of the early history of Admiral Tsai.

On arrival at Honolulu the representative of the Associated Press came to me with two messages which he had received from Mr. Stone—one saying that a message had been received from Osaka, Japan, that I was on the way to America as the representative of the Chinese Government; the other saying that there was a report that Japan had made some very unjust demands upon China and asking me, first, if this was true, and, second, if Japan had made demands, to comment upon them. In reply to the first question I said that I had never been in Osaka and did not know how any one in Osaka could know my plans; that I was on the way to America, not as the agent of the Chinese Government, but in response to a call from the Missionary Society, and requested them to inquire for particulars at 150 Fifth Avenue, New York City. In regard to the Demands I said in substance, "Inasmuch as Japan stoutly denies having made any such demands, and inasmuch as the reported Demands are such as no civilized government would make upon another government, the fair attitude for Americans is to withhold judgment until they learn the facts."

We reached San Francisco, April 19, 1915, and remained there from Monday to Wednesday evening because the presence of a bishop was required at the meeting of the Book Committee in order to confirm the election of James R. Joy as editor of *The Christian Advocate*. I wired Secretary Bryan saying that I could reach Washington Saturday afternoon or Monday morning—prefer-

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THE LEADING FIRM IN THE BULB-INDUSTRY

red Monday morning. Received an answer from Mr. Bryan saying that he would be glad to meet me Monday morning at 10 o'clock.

I had entirely overlooked a place of stopping in New York. Had simply wired Dr. North to meet me at the station. As Dr. North inquired what hotel I wished to stop at, I told him I did not know, as the old Fifth Avenue Hotel had been destroyed. He suggested the Prince George and we went there and he and I went carefully over the Japanese Demands and the Japanese school policy in Korea. Dr. North heartily acquiesced in my view in regard to the crisis and at my earnest request went with me on the midnight train to Washington.

On April 25, about three hours after we reached the Prince George, Dr. Sidney Gulick called to assure me that he had seen Viscount Chinda with the copy of the Demands which I had sent to Shailer Mathews, and that Viscount Chinda told him that they were essentially false —that Japan had made some demands but that these so-called Demands were in substance false. Dr. Gulick recognized the harshness and injustice of these Demands and insisted that Japan never would present such demands upon China. He rebuked me for having come on a fool's errand. I replied that it would be wise to find out my errand before passing judgment. He said that I had come as the agent of China and I told him that statement was a falsehood, originating in Japan.

He then asked eagerly whether or not I intended to go to Washington. I assured him that I did but that my visit to Washington did not make me the agent of the Chinese Government. He felt that it was very unjust to present these Demands to the State Department or to Mr. Wilson. I assured him that I had already forwarded them several weeks ago. He was deeply stirred over this and felt that I had treated Japan most unjustly and asked me if I would meet Viscount Chinda with him in Washington and learn the truth. I agreed to meet Viscount Chinda with him. He assured me that I would be a badly humiliated man. I told him that I had suffered some humiliations in the past and probably could endure one more. He seemed amazed that I still believed in the accuracy of my Demands.

Dr. North and I met Dr. Gulick at the New Willard Hotel at 9 o'clock, April 26. He told me that he had arranged for the meeting with Viscount Chinda at 10 o'clock. I told him I had an engagement with Mr. Bryan at 10 o'clock and would see Viscount Chinda with him later.

A Visit to Mr. Bryan

I called on Mr. Bryan for a half-hour at 10 a.m., taking precedence of a dozen men who were waiting to see him, on account of the engagement made the preceding week. After talking half an hour, Mr. Bryan urged me to return at 1 p.m. and lunch with him and have a longer talk over the situation. He had read the 21 Demands which I had sent him, and assured me that they were correct. He told me that he had not received these Demands from Viscount Chinda until the day before my copy reached him, and that Viscount Chinda had assured him that part of the Demands were simply requests put forward as expressing the wishes of Japan. I told him that Chinda was attempting to deceive him at that point—that the whole 21 Demands were being pressed upon China under threat of doubling the Japanese troops in China and enforcing them unless Yuan Shi Kai would concede them.

Mr. Bryan told me that the President had called for my twelve-page letter after reading the four-page letter sent to him. He said that he and the President both thought my fears in regard to Japan's action against teaching Christianity in the mission schools were unfounded and showed a slight bias against Japan. I called his attention to the capital qualifications of my statement on that point in my letter. I then told him of the decree of Mr. Schiya found in the *Nagasaki Press* of March 30, 1915, ordering the mission schools to comply completely with the Government curriculum by excluding religious instruction and religious worship from the schools, giving them ten days in which to comply, and announcing that they must be closed unless they then complied. Mr. Bryan was astonished at this decree and asked for a copy of it, which I later furnished him. I pointed out the fact that Japan had violated the Takahira Agreement by presenting the 21 Demands against China before consulting our Government. Mr. Bryan admitted this, but said that they had presented them a copy comparatively soon after they had been presented to China, I impressed upon Mr. Bryan in the two conversations—one at 10 and the other from 1 to 3—that the only human agents who could prevent a war

between Japan and China were President Wilson and himself, and that they must promptly let Japan know that the United States would feel deeply aggrieved over the use of force by Japan to secure these 21 Demands from China.

Dr. North found that the President had left positive orders that no one was to see him during the week and that he was out of town for the day in a quiet retreat studying the grave problems which confronted him. Hence, Dr. North did not try to make any engagement for me to see the President.

Dr. Gulick was greatly disturbed when I returned from the first visit to Mr. Bryan and told him that the 21 Demands had been presented to China in the terms which I had placed in Dr. Mathews's hands. He felt that Viscount Chinda had broken faith with him. I told Dr. Gulick that I did not wish to see Viscount Chinda with him. This was in accordance with Mr. Bryan's judgment, as well as my own, and Dr. Gulick was very glad to be relieved from the necessity of calling upon Viscount Chinda with me. Indeed, he finally decided not to call upon him personally and returned to New York.

Dr. Gulick's call soon after I had reached the hotel in New York—a hotel which I had never heard of until I landed at the station—led me to feel sure that Japan was keeping a careful watch over my movements. After going to the Pennsylvania Station and buying my ticket, I took a taxicab and called upon the Chinese minister and placed a message in his hands to be cabled to Yuan Shi Kai. It was in substance as follows:

> Stand firm for cancelation or modification of all Japan's Demands which destroy or seriously threaten the sovereignty of China. Concede other points as far as possible.

The Chinese minister, Shah Kai-fu, agreed to keep my name out of print and to send the message. He was much discouraged, told me he thought my message was dangerous, and eagerly asked me if the United States would fight for China. I told him she would not, but that I felt reasonably sure Yuan Shi Kai could maintain the position which I advised him to hold. He wanted to know my grounds, but I told him I could not give them.

On April 27, I sent from the Palmer House, Chicago, a brief note to Mr. Bryan saying, "One of two courses speedily is inevitable unless you and Mr. Wilson prevent: either China will succumb and you will find Japan in possession of her 21 Demands, or war will actually break out."

As Mr. Bryan had spoken of the Demands as "preposterous," I urged him to say to Viscount Chinda that, inasmuch as Chinda had assured him that Japan had no thought of exacting all these Demands, the United States would regard such exaction by threats of force as a violation of Japan's good faith with us. I am quite sure that in our conversation and in my first letter I had urged strongly upon Mr. Bryan the necessity of informing Japan that in case she enforced these Demands upon China, our Government would place the subject before the Hague Tribunal.

I heard a few days later that Japan, as a mark of her friendship, had yielded to the joint request of Great Britain and the United States and had dropped (part of) the 21 Demands upon China.

Tibetans Withdraw to Chamdo

According to a Chengtu telegram, the Tibetan troops are withdrawing to their base at Changtu (Chamdo), about 180 miles south-west of Teko, following the capture of Kolutung by the combined Szechuan-Sikang troops last week. The capture of Teko is also reported though official confirmation is at present lacking.

Replying to a petition from the Nanking Office of the Sikang Provincial Government requesting despatch of supplies to the Szechuan-Sikang forces, General Chiang Kai-shek, President of the Military Affairs Commission, states that he has instructed the 2nd Department of the Commission to act accordingly.

The Dalai Lama Is Willing to Arbitrate

The Dalai Lama is willing to submit the Sikang-Tibet dispute to arbitration, according to a telegram received from the Tibetan leader by the Executive Yuan at Nanking August 2. He declares, however, that measures for a peaceful solution of the trouble must be satisfactory before they can be accepted by him. It is understood that the Executive Yuan has replied by telegraph to the Dalai Lama asking for further clarification of his proposal.

SELF-RECOGNITION

Public opinion in Japan demands immediate Japanese recognition of "Manchukuo," the new Manchurian State, before the League Commission can report.

Although I never yet could see
One valid reason, I confess,
Why Smith, my neighbor, should possess
His goods and chattels. which would be
Of much more benefit to me,

My fears have ruined every plan
To seize his property as mine;
But now all's well, for I design
To follow up as best I can
The fair example of Japan.

The goods, when seized, shall be conveyed
By cunning processes of law
To one John Doe, a man of straw,
By whom, for some small pittance paid,
My lightest wish will be obeyed.

Next I shall publish a decree
By which I recognise the right
Of Doe to hold, in Smith's despite,
The various properties which he
Holds (entre nous) in trust for me.

That seems to settle it; for none
Will surely grudge, in times like ours,
That men should imitate the Powers,
And following The Rising Sun
Be thief, and "fence," and judge in one.

MAC FLECKNOE

—The New Statesman & Nation, July 9, 1932. Vol. IV No. 72.

Opportunities for Trade with the United States

The following inquiries pertaining to trade connections in China were received at the American Consulate-General in Shanghai. Persons interested are requested to communicate with the Consulate-General, 248 Kiangse road, Shanghai, mentioning member.

60.—An eastern manufacturer desires to appoint a sales representative for his line of automobile specialties.

61.—A mid-western buyer wishes to make connections with a reliable firm in Shanghai with a view of purchasing embroidered handkerchiefs, etc.

62.—An eastern representative wishes to export petrolatum and petroleum wax to Shanghai.

63.—A mid-western manufacturer wishes to appoint a sales representative for his line of electrical refrigerators.

64.—An eastern import house wishes to import jute webbing and burlap to the United States.

65.—Eastern manufacturing concern wishes to place its electric laundering machines on the China market.

66.—A north-eastern concern wishes to appoint a representative to handle its line of clocks and watches.

67.—A mid-western manufacturing company wishes to market its deep well pumps and water softeners in China.

68.—An Alaskan lumber company wishes to export Alaskan cypress to Shanghai.

69.—A manufacturer of boiler and pipe insulation wishes representation in Shanghai.

TRADE INQUIRIES RECEIVED BY UNITED STATES DEPARTMENT OF COMMERCE

Persons interested in the following trade inquiries should communicate with the American Commercial Attache, Dollar Building, 3 Canton road, Shanghai, mentioning number.

9.—Motor Cycle Springs:—An exporter is interested in selling in this market springs for "Indian" motorcycles or, if furnished with sample or detailed specifications, for any make of American or foreign motorcycle.

10.—Petroleum Products:—A Los Angeles firm is interested in getting in touch with firms in China buying petroleum products in California.

11.—Dump Bodies for Trucks:—A manufacturer of Dump Body and Hoist Equipment for Trucks seeks agency arrangement with firm capable of supplying public works departments, contractors, etc., with this type of equipment.

12.—Steel Sheets:—A West Coast firm with an available large supply of plain black sheets—wrinkled mill accumulation, suitable for roofing, or general use, gauges being 24 and lighter, offers same at a low figure per ton.

When Mr. Rea Saw His "Great Light" at Paris

(*Japan Chronicle, Aug. 2*)

The other day we had the appointment of George Bronson Rea as an adviser to Manchukuo offered in the Japanese press as proof of the continued openness of the door in Manchuria. Because there are a few hundred Japanese advisers one should not suppose that Japan has a monopoly of the supply, for here was an American appointed. In this connection the *Japan Advertiser* states:

"George Bronson Rea, editor and publisher of the *Far Eastern Review*, it is understood, will be sent to Geneva this fall by Manchukuo, which recently appointed him an adviser. Mr. Rea, an American citizen, will thus be the first representative of the new state at an international gathering, though his role at the League Assembly will be purely that of an observer, as Manchukuo is not a member of the League. He has had previous experience in attending such functions in the interests of a Far Eastern country."

But why not mention the name of the "Far Eastern country"? The country in question was China, whose delegation to Versailles in 1919 Mr. Rea accompanied. While in Paris, however, Mr. Rea saw a great light, and he has been as enthusiastic a supporter of Japan ever since as he was of China up to that date. He has been well rewarded, and we cannot suppose that he regards the present transfer as a desertion of his Japanese friends. On the contrary.

We learn from the *Mainichi* that George Bronson Rea has been made an Adviser to the new Government of Manchukuo, and that Mr. Obata is to be Chief Adviser. In the days when Mr. Obata used his most masterful manner in China, Mr. Rea's opinions on Japan were quite different from what they afterwards became, and the things he used to say about Japan in those days may possibly have annoyed Mr. Obata, if he came across them. However, this is not likely to result in any awkwardness, as we may be sure that Mr. Obata understands Mr. Rea perfectly. Mr. Obata will make an excellent adviser, as he is a diplomat of great experience and ability; and if "advising" seems to be hardly his accustomed line, we have to remember that "advice" in Manchuria has a rather special meaning since the days when France, Germany and Russia offered Japan their advice regarding the Liaotung Peninsula.

China Makes Special Study of Chemical Warfare

Methods of chemical warfare are to be made the subject of special study and research in Chinese universities. At a meeting held at Nanking August 3 the Chemical Research section under the Ministry of Education decided to recommend to the Ministry that special research fellowships be established in at least four of the better equipped Government universities to study and conduct research work on the following subjects: (1) poison gases, (2) smoke screen and incendiary bombs, and (3) protective measures against poison gases. It was also decided to encourage private Universities to establish special departments for the study of these subjects.

Requirements for chemistry in middle schools are also to be raised, according to another resolution passed at the meeting. A special committee of experts was appointed to fix the standard of chemistry courses to be studied in middle schools. Special emphasis, it is understood, will be laid on laboratory work.

Thugs Shoot and Rob French Paper's Woman Cashier---Victim Succumbs

Miss Olga Kramarenko, Russian accountant of the *Journal de Shanghai*, was shot through the chest shortly before noon July 30 and the $1,600 payroll of said newspaper wrenched from her hand as she dropped on the stairway leading to her office, by two young Chinese who fled into the street and made good their escape. She died from the wounds several days later.

Japan Buys South African Scrap Iron

The Governments of the Union of South Africa and of Japan last week signed a contract whereby the Union Government will supply Japan with 30,000 tons of South African scrap iron, which will be transported to Japan on Japanese ships. The iron is to be used for the construction of bridges in Japan.

"The Seaboard Route to the North"

Travel on The

Peping-Liaoning Line

Starting at Peping, the ex-capital of China, called the most interesting city in Asia, with its intricate systems of walls, its Imperial palaces and its beautiful temples and tombs the Peping-Liaoning Line goes down to Tientsin, the great port of Chihli, and from there swings in a wide circle on its pathway to the north. From Lanchow to Chinchow the railway follows the line of the Gulf of Chihli, passing through Shanhaikwan, where the Great Wall ends at the sea, and thence on to Mukden, the ancestral home of the Manchus, a city which vies with Peping in its splendor of palaces and temples and ancient shrines.

Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Marshal Chang Hsueh-liang's Predicament

BY PAUL K. WHANG (汪仲芳)

JEHOL, a secluded and mountainous region little known to the inside of the Great Wall or to the outside world, has risen to prominence overnight, when the news of the impending Japanese invasion of that region has been broadcast to the world. The immediate cause leading to the present probable renewal of open hostilities between the Chinese and Japanese forces is the alleged capture by Chinese troops or volunteers of a Japanese liaison officer named Ishimoto, for whose release the Japanese have massed their troops along the border of Manchuria and Jehol, demonstrated their aerial strength by bombing several Jehol's border towns, and sent a warning in the form of an ultimatum to Gen. Tang Yu-lin, the governor of Jehol and a subordinate of Marshal Chang Hsueh-liang.

Handicapped by poor and inadequate commmunications, the real situation prevailing in Jehol has been shrouded in a mist. The news which have reached us is meagre and conflicting, and, to tell the truth, we have not even the means to establish the identity of that unfortunate Japanese officer, whose capture is as mysterious as that of Nakamura more than a year ago. Living so far away from the center of turmoil and being deprived of adequate news, we are naturally not in a position to size up the exact situation; but in view of the subtlety of Japanese tricks with which we have been made familiar since the Manchurian embroglio we can adequately read the signs of the Japanese gesture even at a distance.

That the allegiance of Gen. Tang Yu-lin has been a big question mark has all the more complicated the present situation. The Japanese have long claimed that Gen. Tang has thrown in his lot with Manchukuo, while Marshal Chang has hypnotized us to believe that his subordinate has been still faithful to him. Evidently both sides have held out their baits to the governor of Jehol, who, for obvious reasons, has played the role of a fence-rider without being definitely identified with either side.

The foreign observors who are well versed in Japanese politico-economic conditions have long predicted that the Japanese militarists, with a view to averting the domestic crisis, have looked for a new pretense to extend their military operations beyond Manchuria so as to divert the attention of the Japanese people from domestic affairs to international complications. Thus the invasion of Jehol is another pre-arranged plan which will be sooner or later carried out by the Japanese militarists as a means of consolidating their position in the Island Empire. As in the Nakamura case, the capture of Ishimoto is only an excuse to deceive the world.

Gen. Tang Yu-lin on the Fence

When the matter comes to such a pass, Gen. Tang can no longer sit prettily on the fence. He must either bow down before the Japanese prowess and let his domain be incorporated into Manchukuo, or draw his sword to resist the Japanese invasion. As a prologue to the big show, the Japanese have staged a mammoth military parade along the border of Jehol in the hope of intimadating Gen. Tang into submission, so that they can occupy another Chinese province without losing a soldier or a bullet. Gen. Tang, to preserve his *status quo*, has tried every possible means to pacify the Japanese by promising to locate and effect the release of Ishimoto; but, after finding that the Japanese have cast a covetous eye on his position, he has had no alternative but to appeal to Marshal Chang for assistance.

The Young Marshal, the ousted warlord of Manchuria, has already learned a bitter lesson from his infamous policy of non-resistance. Not only has he lost the stronghold built up by his late father, but he has become the laughing-stock of the world. His generosity, however, has not been reciprocated by the Japanese militarists who, on the contrary, are determined to wipe out his influence north of the Yellow River. To the Japanese, the Young Marshal is the master-mind of the ever-increasing activities of the ubiquitous anti-Manchukuo volunteers and therefore his removal will pave the way for peace and order in Manchuria. On numerous occasions, the Japanese have challenged his authority by instigating uprisings in Tientsin, but so far he has managed to keep his position intact in the limited area between Peiping and Tientsin. The more the Manchurian situation becomes chaotic, the more the Japanese are determined that the thorn in their side must be removed, hence the present invasion of Jehol and possibly North China.

Geographically Jehol is the gateway to North China and its occupation by the Japanese will expose Peiping and Tientsin to danger. Financially Jehol, because of its extensive poppy-cultivation, constitutes a rich treasure from which Marshal Chang draws wealth to support his large but useless army. Thus in view of the geographical and financial considerations, the Young Marshal, no matter how strong his faith is in the policy of non-resistance, can hardly view the present situation with equanimity. He has already been driven to the last corner, and literally can not concede one more inch of his territory without imperiling his existence. Thus for the sake of self-preservation, he has to fight a life and death struggle against further Japanese aggressions.

Marshal Chang realizes that he is no match for his enemy, who is several times his size. Therefore he has applied to Nanking for assistance. As prior to the fall of Chinchow last December, the Nanking government on the one hand has instructed the Young Marshal to prepare himself for eventualities, and on the other hand has informed the public that the government will use all its might to resist the Japanese invasion of Jehol. Aside from this official pronouncement, the government, however, has not yet disclosed to the public how effectively it is prepared to resist. Is the government prepared to send either army or money to strengthen the Young Marshal's resistance? This question has been asked by all the people but can be answered by none. In view of the past indifference and inaction on the part of the Nanking government, we have reasons to believe that it will, as before, do nothing further than paying lip service. At the time when the national finance is in a stringent state and war against communists is progressing, the Nanking government can find good excuse for not sending a single soldier or dollar to assist Marshal Chang, who, therefore, will be left, as in the case of the 19th Route Army, to defend "his own domain" singlehanded. When the fire is far away, why should we bother ourselves about the safety of our houses? This sentiment seems to prevail in Nanking officialdom vis-a-vis the Jehol situation.

If the Nanking government really means what it says, it should immediately terminate the unprofitable campaign against the communists so as to spare the soldiers and money for fighting a more deadly enemy. It is true that communism is a great menace to China, but it is no less true that the elimination of communism must be sought from the political and economical readjustments, as stated by T. V. Soong, the Minister of Finance, some time ago. To conduct an endless war against the communists has already sapped the vital strength of the nation and left the country in a defenseless state in face of a foreign foe.

Marshal Chang has been fully aware of the fact that the government's order to resist will not be accompanied by substantial assistance, and therefore he must seek help from some other quarters. So long as the Young Marshal pursues a policy of non-resistance, it is immateral whether Nanking sends him a single dollar; but when self-preservation necessitates him to defend "his own domain," he must solicit help from some quarter where help is reliable. In his desperate efforts to strengthen his precarious position, he called a plenary session of the Northern Political Affairs Committee a few days ago, to which all the military leaders in the North were invited, including Generals Han Fu-chu, Shih Yu-shan, Shan Tsun and many others. It has been reported that in the plenary session two policies—the recovery of lost territories and the strengthening of national defenses—were decided upon. How far these policies will be carried out is not stated in the news reports, and possibly only time can tell their effectiveness.

Merely Lip Service

Outwardly a united front has been formed among the military leaders in North China, but below the surface it is exceedingly doubtful whether they will stick together through thick and thin. The past affiliation of Generals Han Fu-chu and Shih Yu-shan with Marshal Feng Yu-hsiang suggests that their present allegiance to the Young Marshal can not be more than a lip service. Likewise, Gen. Shan Tsun, a subordinate of Gen. Yen Hsi-shan, can hardly be expected to give his whole-hearted support to the very man who caused the defeat of the Yen-Feng Rebellion in 1930. As a matter of fact, most of the military men, from whom the Young Marshal is at present begging assistance, have their respective grudges against him. If their personal prejudice is still strong in their veins, it is only natural that they will be tickled to see the downfall of the Young Marshal, whose star is rapidly descending. That blood is thicker than water holds no truth among the Chinese generals.

Therefore Marshal Chang's predicament can be easily understood. Everybody is good enough to show his sym-

pathy with him, but nobody is altruistic enough to offer him material assistance. Sympathy without assistance is like mustard without beef. The Japanese are now propagating to the world that for the sake of preserving peace in the Far East Marshal Chang must be eliminated from North China, because they know quite well that he is now in a hopeless and helpless state. As soon as they attain their objective, they will hurl the same charge on some other Chinese generals. Thus, gradually, they will be able to conquer the whole of China. This disunity among the Chinese generals has invited the Japanese to invade and occupy Manchuria, will soon see the same fate falling upon North China. If there is a lesson to be learned from the past eleven months' bitter experience, it is that it is about time for all Chinese generals to drop their personal prejudices and send their available forces to rescue the one who is now standing on the first line of defence, before it is too late to save themselves.

Shanghai, August 8, 1932.

The Difficult Problem of Balancing the Japanese Budget

In his efforts in the direction of compiling a balanced Budget for the next fiscal year, the Japanese Minister of Finance, Mr. Takahashi, is meeting with great difficulty regarding the best way of achieving his object.

The Minister himself thinks that the budgetary deficit envisaged for the next fiscal year should be made up by means of loans and not by increasing the taxation of the country.

The Minister bases his case on the following points:—

(1) Advocates of increased taxes who seek to raise the sliding scale rates of income-taxes, forget that many companies in Japan are controlled by their respective holding companies and that as regards individuals, there are few who can report very big incomes. Therefore, he says, revenue from a higher income-tax would not increase to any appreciable extent, and, for that reason could not balance the Budget.

(2) The suggested increase of taxation on dividends from stocks, shares and similar incomes would tend to decrease the amount of capital available for industries and would make the present economic situation worse. This state of affairs would be in contradiction to the intention of the Government which has recently taken steps to prevent the flight of capital from Japan in order to keep capital in active operation in the country.

Subordinate officials of the Ministry of Finance, who are the opponents of the Minister in the matter of loans and who are the advocates of increased taxation as the best way to bring about a balanced Budget, replying to the Minister's points against any further increase in come-tax, say that Mr. Takahashi has referred only to large incomes. They consider that in view of the present financial crisis facing the country the people with medium and small incomes should pay income-tax on a higher scale as is done in the United States and England.

Negotiations to Remit Dutch Boxer Indemnity

Negotiations are proceeding between Liu Shih-shun, Director of the European Department of the Ministry of Foreign Affairs and W. J. Thorbecke, Minister for the Netherlands, for the conclusion of a Sino-Dutch agreement for the remission of the Dutch portion of the Boxer Indemnity. Mr. Thorbecke arrived here from Peiping last week and called upon Director Liu in connection with the matter. It is understood that an agreement will be reached shortly.

Treaty Negotiations With Chile and Brazil

As the present Sino-Brazilian Treaty is expiring shortly, the Ministry of Foreign Affairs is negotiating with the Brazilian Government for the conclusion of a new Treaty. Negotiations are also in progress with the Chilean Government for the conclusion of a Sino-Chilean Treaty of Amity and Commerce.

Japanese Diet to Convene August 22

At the regular Cabinet Meeting in Tokyo, August 3. it was decided that the Third Extraordinary Session of the Japanese Diet will be convened on August 22 and that the term of the session will be eight days.

The Diet will debate and decide upon national measures toward the amelioration of the present difficult situation in the country.

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The Problem of Japan

BY W. V. PENNELL

(Editor of the Peking and Tientsin Times in the People's Tribune for July 15, 1932)

INEXORABLE economic facts are forcing the Japanese down to bedrock. The major issue which has suddenly become of such supreme importance is broadly described as that of Town or Country. It would better be described as Power, international trade, modern industry, and the high standard of living which Westernisation produced, or the submergence of all these in primarily an agricultural economy out of which Japan emerged so dramatically in the last half-century. The belated but genuine concern for the welfare of the desperately stricken agricultural masses is one of the most significant sign-posts of the time. A largely artificial industrialisation has cost the country a great deal. The enormous development of national Power in a big Navy and a large, most efficient and expensively equipped Army cost the country still more, since it was unproductive. The full force of the world depression is now attacking that wonderful edifice erected by the discipline, energy, and monumental determination of a robust and capable people. The program of the Inouye school, which collapsed in face of the Army's outspoken hostility last summer, consisted of more industrialisation, expansion of trade, and reduction of Military and Naval expenditure. It was likewise threatened, we must in all fairness recognise, by the new British Imperial economic policy. It was in British Colonial territories that this expansion of trade had reached its greatest height, and it was upon these free markets, that Japan undoubtedly depended for the successful outcome of this policy. Between Scylla and Charybdis it has been wrecked.

In the world in which we live it is hardly proper for anybody to be too free in moralising about the merits or evils of the present adventure on which Japan has embarked in Manchuria. The British have found in their long and widespread experience that where political privileges obstruct economic advantage, they are a dubious luxury, and trade must have prior consideration. The new struggle for survival is essentially economic. In that light we have regarded the crisis in the Far East from the beginning. Could the new program of Continental expansion be made to pay? We remain more than ever convinced that it cannot. But no serious-minded observer can fail to be concerned at the economic tragedy which is almost certain to ensue in the end. There are qualities in the Japanese people most greatly to be admired. The upper strata have shown conspicuous ability and energy in the creation of modern industry. The farmers have demonstrated exemplary discipline and patience in the face of prolonged adversity: neglected, bowed down with a millstone of debt, and harassed as they have always been. Even the urban classes, now that the ordeal of living has come upon them with crushing severity, have kept their heads and silently carried on. This may be good, or it may be bad. It does not always do to keep feelings pent up. But good or ill, they have refrained from those outbursts which were not infrequent in their turbulent past.

Formidable Change in Situation

But recent messages from Japan show that, whilst discipline is still maintained, a formidable change is coming over the situation. Peasant delegations are swarming into Tykio from all parts of the country, urging upon the authorities the necessity of immediate relief measures in the agrarian districts. "These delegations," adds *Reuter's* correspondent, "are very serious in their intentions and hint darkly at what is likely to happen if the situation is not remedied quickly." The general opinion is that these delegations are being directed by some Central organisation. Both the Kokuhonsha—the socalled Fascist Party—and the Army are fully alive to the dangers of serious agrarian outbreaks, and are probably behind the agitation to force the Government to adopt ameliorative measures at once. What with this immense problem, and the controversies about the unification of the administration in Manchuria and the immediate recognition of Manchukuo, the Saito Government has its hands full, and it is difficult to believe it will long survive. No wonder London gives to the international situation in Japan a very prominent place in its view of the Far Eastern crisis. *Reuter* tells us that it is realised that Japan's economic situation has been made considerably worse by her struggle with China and the Shanghai and Manchurian incidents, and that the restoration of Japan's international trade "is the most urgent task now confronting the Far East."

The economic distress, and particularly the unemployment aspect of it, in Japan is palliated by the strong remnant of the ancient feudal system. In the *Japan Advertiser's* Annual Review of Finance, Commerce and Industry—a most valuable publication which has just come to hand—it is pointed out that

> "Japan is too narrowly removed from the feudal system to have lost completely the doctrine of responsibility which made that sysem strong. In the old days the feudal lord was responsible for the life and well-being of his retainers. He might pay them nothing and give them gifts at infrequent intervals, but if they ran into difficulties or if there were sickness in the households he took care of them. Some of this feeling has been translated into business and most Japanese employers feel themselves to be *in loco parentis* to those they hire, Except in the very largest of the mass production companies there is no attempt to cut the staff when production has to fall."

In addition to this burden on industry, many unemloyed return to the farms from which they came and add to the burden on the already terribly impoverished farmer. Of the enormous increase of Japan's population in the last quarter-century, much the greater part is in the cities. If the industrial class has benefited in the past at the expense of the peasants, it will be no less adversely affected if the pendulum swings too violently in the other direction. The farming class in Japan are estimated to be in debt to the tune of Yen 6,000,000,000—a colossal figure. The interest charges are inordinately high, both in percentage and in the aggreggate. Only a complete wiping out of this load would produce a real remedy in the present acute depression. A Moratorium would be no more than a momentary relief. On the other hand, the financial consequences of such a measure would be exceedingly grave. In the end the burden would fall on the State, and what with the increasingly adverse balance of trade, the unbalanced Budget and the continuing cost of the adventure in Manchuria, coupled with the boycott in China, can one imagine that there could be any real control of inflation?

We think the remedy Japan has sought is likely to turn out worse than the disease. But it is impossible to withhold deep and genuine sympathy with her people in their plight. The most unfortunate part of the crisis is that the desperation to which it gives rise is driving Japan to irrevocable measures in the foreign field. The more critical the economic situation in Japan, the more clamant become the demands for a forward course in Manchuria. It will be noted that Press and politicians alike are uniting in the outcry for the immediate recognition of Manchukuo, without awaiting the report of the League Commission, or the League Assembly at Geneva. Already the Chinese leaders reveal great alarm over this turn in the situation. The Japanese Government itself has stated that it is against precipitate measures. It realises the dangers and complications that would ensue. But it looks as through it will have to go with the tide or be engulfed beneath it. The renewed sharpening of the pace in Tokio will impel a similar quickening of events elsewhere, and this is where the gravest danger lies.

Cholera Takes Many Victims in Shensi Province

According to statistics compiled by the Shensi Provincial authorities, the cholera epidemic has claimed over 10,000 lives in the various districts of Shensi since its outbreak about a month ago. Seven hundred people have succumbed to the disease in the city of Tungkuan alone. Originating from the districts of Tungkuan, Hwayin, Linwei, and Sian, in eastern Shensi, the epidemic has now spread to all areas immediately north of the Wei River, where deaths are reported daily. Districts now infected include Tali, Chengcheng, Hoyang, Chaoyi, Kingyang, Sanyuan, Kaoling, Fuping and Pingmin.

Tsou Lin Appointed Political Vice Minister of Finance

The National Government, in a mandate issued July 28 officially relieved Chang Shou-yung from his post as Political Vice-Minister of Finance and promoted Tsou Lin, Director of the Salt Administration, as his successor. Chu Ting-chi, Chief Inspector of Salt Revenue, was appointed concurrently Acting Director of the Salt Administration. In a separate mandate, Liu Chih-hsueh was relieved of his post as member of the Honan Provincial Government, and the resignation of Chang Fei-shu from his substantive and concurrent posts as member of the Honan Provincial Government and concurrently Provincial Commissioner of Reconstruction was accepted. Chang Ching-yuan was appointed successor to Chang Fei-shu.

Taonan-Solun Railway Is Completed

The construction of the Taonan-Solun Railway, which was commenced by the Mukden Government some two years ago, has now been completed. The completion of this Railway will make it possible to exploit the adjoining territory to better advantage, and the Japanese hope that when peace and order have been restored in Manchukuo many settlers will take up land in said region.

Railway Projects in North Manchuria

It is reported from Changchun that the Ministry of Communications has approved of a project to construct several Railways for the tapping of the territory, immediately to the North of Harbin. It is affirmed that the first Railway to be constructed in accordance with this program, will run from Harbin to Pinhsien.

Foreigners Not Allowed to Own Land in Interior

A reminder that foreign nationals are not permitted to purchase real estate in the interior of China, was issued by the Ministry of Interior in a circular communication addressed to the various Provincial and Municipal Governments throughout the country end of last week.

The communication points out that according to existing Sino-Foreign Treaties, foreigners may reside and lease land or buildings only at the treaty ports. Reports have been received, however, that, in violation of treaty stipulations, a number of foreign nationals has either purchased real estate in the interior or acquired other real rights, such as mortages and charges, over immovable property owned by Chinese.

"Luxury Taxes" Which Fail to Increase Revenue

Under the heading "Importers on the Rack," a correspondent signing himself "Patrick Henry" wrote a sarcastically humorous letter to the *North China Daily News* August 5 pointing out that the progressively increased taxes under the heading of "luxuries" imposed by the Chinese Maritime Customs, together with the introduction of the gold unit and the imposition of the rule refusing drawbacks, have not had the result intended of increasing the revenue, but of decreasing it, and also encouraging smuggling. He heads the list of "luxuries" with "condensed milk, used for feeding infants and nursing the sick back to health."

Native Bankers to Relinquish Service Charges on Tael-Dollar Conversions

The Shanghai Native Bankers' Association end of last week issued an open letter announcing that the old custom of making a service charge when exchange transactions between taels and dollars took place would be abandoned and that as from August 6 such conversions will be made without charge. The Association states that it takes this course as a means of stimulating trade. At the same time the Association urges the Government to adopt a standard weight and fineness for the dollar and fix the rate of conversion between the tael and the dollar.

Extra-Settlement Road Agreement to Be Discussed by Executive Yuan

The Municipality of Greater Shanghai has submitted to the Executive Yuan for approval the draft agreement reached with the Municipal Council of the International Settlement at Shanghai regarding the question of extra-Settlement Roads. According to the original schedule, the agreement was to have been brought up for discussion at the Executive Yuan August 8, but the matter was delayed as a result of President Wang Ching-wei's resignation.

China's July Customs Receipts Register Deficit

The Ministry of Finance announced at Nanking August 3 that the total receipts and payments of the Maritime Customs for July, preliminary estimates of which were given a week ago, consist of

Receipts	Sh. Tls.	10,070,135.46.
Loan and Indemnity Payments	,, ,,	13,278,258.62.
thus causing a deficit for the month of	,, ,,	3,208,123.16.

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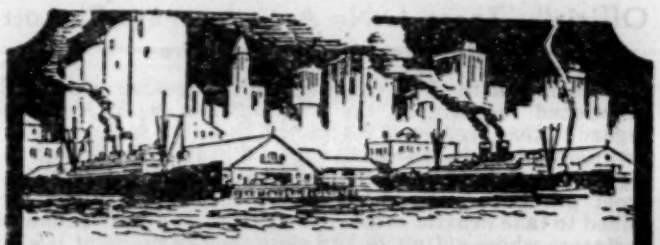
All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.



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R. C. A. Protests Against Mackay Agreement

While the controversy among officials of the Ministry of Communications over the Mackay radio traffic contract recently signed by the Ministry is still unsettled, further complications have been introduced into the muddle as a result of the action of the Radio Corporation of America, which is lodging a strong protest with the Ministry against the Mackay agreement.

According to George F. Schecklen, head of the Shanghai office of the R. C. A., the Mackay contract constitutes a direct violation of the Ministry's traffic agreement with the R. C. A. signed on Nov. 10, 1928 and as a proof of this, the R. C. A cites the instance involving the Administration of Posts and Telegraphs of the Republic of Czechoslovakia, the Mackay interests and the R. C. A.

It is pointed out that the instance cited in the protest is almost identical with the present situation in China. In the instance mentioned, the R. C. A. signed a traffic agreement with the Administration of Posts and Telegraphs of the Republic of Czechoslovakia on Nov. 10, 1928, providing for the establishment and operation of a direct radio telegraphic circuit for the purpose of furnishing commercial radio communication services.

On Apri 21, 1931, it is stated, the R. C. A. was informed by the Administration that plans had been made to establish a second direct radio telegraphic service via Mackay Radio Company for telegrams marked by senders via Mackay. The R. C. A. immediately protested and the controversy was submitted to the Hague Arbitration Court for arbitration. The Court rendered a lengthy judgement on the case and decided that the Administration had not the right to establish a second direct radio telegraphic service between Czechoslovakia and the United States via Mackay radio for telegrams marked by sender "Via Mackay". On the strength of this decision, officials of the Shanghai office of the R. C. A. represented by Mr. Schecklen hold the view that the the situation in China is identical with that of Czechoslovakia and that China can not sign the present Mackay traffic contract without violating its exisiting agreement with the R. C. A.

It is learned that despite the protest, the Ministry of Communications has remained silent and no reply has apparently been made clarifying the situation.

Officially There Is No Anti-Japanese Boycott, But Agitation Continues

Officials of the City Government of Greater Shanghai, questioned recently by the *North China Daily News*, in regard to the threatened revival of the anti-Japanese boycott movement, stated that, while the authorities had no right to punish the merchants who voluntarily refrained from purchasing Japanese goods, they were fully determined to take drastic measures against the anti-Japanese agitators whose activities had exceeded the limits of law.

In the meantime the terroristic activities of the boycotters continue. Several days ago a parcel was delivered by an unknown person to the Yung Yu Cotton Goods Shop, Fukien Road. When opened, it was found to contain a bomb. Prior to the delivery of the bomb the Association had received from the National Salvation "Group for the Extermination of Traitors" a letter, alleging that the Yung Yu Cotton Goods Shop, a member of the Association, was selling goods under false Chinese trade marks and warning the shop to discontinue dealing in Japanese products.

Mexico Promises to Stop Deportation of Chinese

Following representations made by the Chinese Legation, the Mexican Foreign Office has given a promise to cease further illegal deportations of Chinese subjects from the state of Sonora, according to a recent message from Sung Young, the Chinese Minister at Mexico City.

Chinese Dumped Into Arizona from Mexico

The United States attorney at Tucson, Arizona, August 6 informed the State Department that he had requested the Mexican Government to investigate the alleged "dumping" of Chinese aliens into Arizona. He said that upwards of 2,000 Chinese had been deported from Arizona since March of this year, at a cost to the U. S. Government of G.$400,000 under provisions of a law which says that the United States is compelled to pay the expenses of deportation all the way to China although many of the Chinese were wealthy merchants well able to pay their own way.

A Mysterious Frenchman's Connection With a Shipment of Banknotes

The Japanese Government last week lifted the ban on the publication of the details of an incident which occurred April 10, when 80 wooden boxes, each two feet square, were landed at Dairen from a Japanese boat coming from Tientsin, found to contain 4,000,000 ten-yuan notes of the Bank of Heilungkiang. The local Water Police were immediately communicated with, and a Frenchman, the representative of a Dairen French firm, was examined because his name was mentioned in the bill of lading. This Frenchman denying all knowledge, these boxes were temporarily kept in a Customs warehouse. In the meantime, efforts were made to ascertain the consigner and consignee, but on account of the defective nature of the bill of lading, these efforts were unsuccessful. On April 20 a Frenchman arrived at Dairen by train and two days later he, together with a Japanese, visited the Customs warehouse and inspected the boxes and left for an unknown place.

The Mukden Gendarmerie suspected that these notes had been sent by General Chang Hsueh-liang with the object of disturbing the money market of North Manchuria. According to a *Dempo Tsushin* telegram, the mysterious Frenchman who inspected the boxes at Dairen came to take delivery of the boxes at Ssupinkai, when he was arrested by the Manchukuo authorities.

Quo Tai-chi in England Says Japan Must Fail

"Japan must fail in the Manchurian adventure." Quo Tai-chi, new Minister to London, stated on his arrival in London last week in an interview printed in the *Manchester Guardian*. He continued: "The Japanese cannot thrive as settlers on the cold plains of Manchuria and compete with 30,000,000 Chinese. The Japanese occupation in Manchuria has brought chaos and confusion instead of the promised law, order and prosperity. The farmers have decreased their production, thus the South Manchurian Railway, which previously was run at a profit of Yen 80,000,000 is now running at a loss. The Japanese population is under 200,000 and this includes a large number of railway workers and a large army stationed along the South Manchurian Railway. "In view of all these circumstances, added to the present serious situation in Japan, Manchuria, instead of being an asset, is a liability to Japan."

In another interview Mr Quo said: "It is being stated that China's finances are in a deplorable condition. They are certainly in a less hopeless state than those of certain other nations, and we shall continue to meet the claims of all our creditors."

Bank Official Ordered to Pay $50,000 for Breach of Promise

Jian H. Chen, deputy governor of the Central Bank of China and chairman of the committee appointed to study the abolition of the tael, has been ordered by the Second Branch of the Kiangsu High Court to pay Miss Yen Soh-fan $50,000, damages as a result of defendant's breach of promise to marry her. Plaintiff is the daughter of a former high official in Peiping and the sister of Yen Quo-yuan, a former Premier of the Peiping Government. She gave evidence that she became engaged to defendant some 15 years ago, before the latter went to America to study in the University of Ohio, and at that time advanced to him funds to proceed to the U. S. A. During his absence in America Mr. Chen married another woman. The case came into court on appeal, the lower court having denied judgment.

First National China Productions, Ltd., Will Not Be an American Corporation

The First National China Productions, Ltd., which was to have been incorporated under the laws of the state of Nevada and concerning whose hiding of its method of incorporation reference was made in *The Review* several weeks ago, will not continue as an American incorporated company, but will carry on as a purely Chinese organization, according to announcement made end of last week. Following announcement of the resignations of Messrs. T. Y. Wen, C. Y. Yao, K. S. Liu, C. H. Lee, R. E. MacIntyre, and H. D. Rodger from all connection with the proposed American incorporation, the three first named informed the public that those who had subscribed for shares could recover their money upon presentation of receipts at the Shanghai Commercial and Savings Bank or the National Commercial and Savings Bank of Hongkong.

Ford Agent Believed to Have Been Captured by Bandits in Shensi

No definite news has been received so far as to the fate of Henry Ekval, a Swedish-American, who was last heard of in the early part of June when he and a Chinese assistant were travelling from Pingliang, where he represented the Ford Motors, to Sianfu, carrying with them $20,000 worth of gold dust and small sums in cash which represented payment for Ford trucks sold at Nanchowfu. Mr. Ekval is believed to have been captured by bandits.

Lieutenant Robert H. Soule, American assistant military attache at Peiping, has proceeded to Sianfu, Shensi, in company with O. J. Todd, chief engineer of the China International Famine Relief Commission, in order to get details of Mr. Ekval's disappearance. They will also seek Gustav Tornvall, business manager of the Famine Commission, who was with Mr. Ekval at the time and who has also disappeared.

China, an Agricultural Nation, Imports Huge Quantities of Foodstuffs

The Chinese Customs returns for 1931 show that China imported a total of 22,773,224 piculs of wheat and exported 7,499 piculs. China imported 4,889,275 piculs of flour, exporting 25,014 piculs. Other import and export figures respectively are: Barley, 1,219 and 80,117 piculs; oats, 2,929 and 10,783 piculs; Indian corn 38 and 655,008 piculs; rice, 10,740,810 and 300,207 piculs; cotton, 4,552,726 and 789,862 piculs (15 piculs make a short ton). The Ministry of Finance in publishing the figures emphasized that measures should be taken both to restore order and to improve scientific knowledge throughout the country, in order that predominantly agricultural China might not be forced to import in excess of exports.

British Supply Railway Material under Boxer Refund Arrangement

The Chinese Government's purchasing commission, which was formed to buy railway materials and other goodr in England with the returned British share of the Boxes Indemnity money, is making highly satisfactory progress, according to Wang Chung-chun, the director of the commission, in an interview in London recently. The tramferry bridges for Pukow ordered in Great Britain are making rapid progress and among a number of orders placed in England is one for 10,000 tons of rails for the Kiao-Tsi Railway which runs from Tsinanfu to Tsingtao. Five leading British steel-works have had this order divided between them.

Chinese Communists Attack Russian Newspaper Office

A crowd of Chinese who distributed Communist pamphlets, which among other things called for the extermination of White Russians, attacked the offices of the *Shanghai Zarya*, Russian newspaper in Avenue Joffre, French Concession, Shanghai, on the night of August 6, damaging the windows and some furniture. The attackers were mostly of the working class. Three of them were arrested.

Whangpoo Conservancy Issues Map of Shanghai Harbor

The Whangpoo Conservancy Board has just issued a map of Shanghai Harbor showing berthing arrangements, which is being sold at two dollars per copy at the office of the acting engineer-in-chief, P. Fawcett. The map shows all the buoys, wharves, docks, godowns, engineering and other establishments located on both sides of the Whangpoo, and constitutes a valuable guide to all persons having to do with shipping at this port.

Shanghai Telephone Co. to Raise Tls. 5,000,000 on Bonds

The National City Company, Shanghai, is offering Taels 5,000,000 of Shanghai Telephone Company 25 year 6% first mortgage debentures at the price of 97 and accrued interest. The bonds will yield to callable date, 6.411% and to maturity date, 6.239%. The issue is callable after August 1, 1942 at 100 and accrued interest. The bonds are secured by a first mortgage on the entire property of the Company now owned or hereafter acquired.

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Men and Events

Mrs. S. K. T. Lo was admitted to practice in the Hongkong Supreme Court August 8, the first woman to achieve that honor.

The Executive Yuan, at its meeting August 5, rejected the resignation tendered by Ku Meng-yu from his post as Minister of Railways.

John Kanis of the Commercial Credit and Information Bureau, Shanghai, was found dead in a bath at the Trocadero hotel, Kowloon, Hongkong August 4.

J. V. Crowe, manager of the Ford Motor Company, Exports, Inc. branch factory in Shanghai returned from a business trip to Hongkong beginning of the week.

Lewis Clark, who has occupied the post of consul at Hankow passed through Shanghai this week on his way to Peiping where he will be attached to the American Legation.

Twenty-four Americans traveling with the D. F. Robertson tourist party of Los Angeles, California, passed through Shanghai, August 8, enroute from Peiping to Kobe.

Count Martel, French Ambassador at Tokyo, departed from Yokohama August 4 enroute to France on a leave of absence. He is expected to return to his post in Tokyo in November.

A shipment of knocked-down airplanes which Marshal Chang Hsueh-liang ordered from America several months ago arrived in Peiping last week. The planes are now being assembled.

C. B. Kwei, formerly director of the library of the National Northeastern University at Mukden, has been appointed director of the library at the National Central University at Nanking.

A recent telegram from Nanking stated that plans are being made for the partial employment of refugee-labor in the construction of the Shiuchow-Chuchow section of the Canton-Hankow Railway,

The Japanese Foreign Office has recommended Shigeru Kawagoe, Consul-General at Tsingtao, for appointment as chief diplomatic advisor to the provisional Ambassador Plenipotentiary to Manchukuo.

A motor launch in the Canton district was captured and looted by a band of pirates near Sanlihsia August 7. The 38 passengers, most of whom are sugar merchants, were carried off by the outlaws.

Tsingtao is facing a shortage of water as a result of drought. In order to meet the crisis, the Bureau of Public Works has proposed to the Municipal Government to utilize the waters of the Taku Ho (River).

The death occurred last week near Honolulu on the Dollar liner *President Hoover* of M. J. Hirshorn, Shanghai merchant, while he was on a journey from Shanghai, accompanied by his wife. Death was due to pneumoma.

Major S. V. Constant, formerly language officer attached to the American Legation in Peiping who has been in Washington since 1927, is returning to Peiping in October where he will occupy the post of Assistant Military Attache.

According to messages from Sapporo in Hokkaido, Japan, 55 people were killed as a result of a serious coal mine explosion in the Sorachi coal mine August 5. Of all those in the mine at the time of disaster only eight persons escaped safely.

In a recent petition to the Executive Yuan, the Overseas Affairs Committee suggested that hereafter all ordinary passports for Chinese citizens going abroad should be jointly issued by the Committee and the Ministry of Foreign Affairs.

Japanese war vessels have been accompanying Japanese merchant vessels on the Yangtsze since August 4. The *China Press* understands that the Japanese landing party in Shanghai has been given full power to act for the protection of Japanese goods.

The death occurred August 3 of Miss Lulu Rose Patton at the General Hospital, Shanghai. Miss Patton was connected with the Union Normal Teachers Training School and the Fulton Kindergarten School of Canton, of which she was adviser and treasurer.

Investigation of factory conditions in the International Settlement will begin on September 1, following the granting of approval for such action by the Shanghai Municipal Council. The investigation will be made by the Factories Investigation Section of the Municipality's Bureau of Social Affairs.

The installation of a long-distance telephone line between Pukow and Tsinan for the Tientsin-Pukow Railway has been ordered by the Ministry of Railways. The Telegraph Section of the Railway Administration will undertake the construction of the line.

A recent London telegram stated that there is a possibility of Sir Cecil Clementi, Governor of the Straits Settlements, being appointed British Minister to China in succession to Sir Miles Lampson. Later telegrams stated that Sir Miles would return to China.

A cordon sanitaire has been established in Taiyuan, where soldiers are posted at all city gates and other means of ingress into the city in order to prevent the population from being infected with cholera which is now raging in a number of districts in southern Shansi.

Building operations for the Examination Hall, where Civil Service Examinations are to be held, have been started, in Nanking. The structure, which is to be on the eastern side of the Examination Yuan building, will cost $400,000. It is expected to be completed within a year.

Harry Stevens, former American Consul at Yunnanfu has arrived in Shanghai on his way to Tsinan where he will be stationed in future. Mr. Stevens is accompanied by his mother. Carl D. Meinhardt, who has been consul in Tsinan, will be stationed in Shanghai in future.

A bomb-explosion occurred August 3 in the garden of the residence of the late General Li Yuan-hung, ex-President of the Republic, located in the British Concession at Tientsin. One of the servants was injured in the face when the bomb exploded as he tried to pick it up.

The Osaka police end of last month unearthed vast smuggling operations in connection with the supply of pistols to China. Several arrests were made in Japan of Japanese following the arrival of a shipment of 150 pistols contained in a safe landed at Tsingtao July 24.

The Government of Rhodesia, South Africa, last month expelled a hand of missionaries belonging to the International Bible Students Association for alleged subversive tendencies, or in other words because their teachinge were likely to cause an uprising among the Rhodesian blacks.

Dr. Allen D. Albert, commissioner to China and Japan for the World's Fair at Chicago next year, and Mrs. Albert, were the principal guests at a garden party given by W. C. Tsai at the spacious grounds of his residence in Bubbling Well road, Shanghai, on the night of August 5.

Governor Franklin D. Roosevelt of New York (Democratic candidate for President) summoned James Walker, Mayor of New York, to appear before him during the week to explain certain stock transactions, the details of which were unearthed recently by the Seabury investigating committee.

Replying to an inquiry from the British and Chinese Corporation, which represents the foreign bondholders in the Shanghai-Nanking Railway loan, the Ministry of Railways states that there is no intention to hand over the Woosung section of the Line to the control of the Greater Shanghai Municipal Government.

The Academy of Science at its session in Novosibirsk August 4, decided to organize a scientific research station at the Kuludinsk Steppes for the purpose of studying the deposits of mineral salt in the lakes in that region. The regional Soviet has decided, according to *Tass*, to begin construction of the station immediately.

David Chi-hsin Lu, who received a Master's degree at the School of Journalism of the University of Missouri last spring has returned to China where he expects to engage in newspaper work. Mr. Lu was the first Fellow from Yenching University at Peiping to attend the University of Missouri where he made an excellent record.

Having received from the Chinese in Batavia a remittance of over $100,000, the Ministry of War's Aviation Bureau has commenced the construction, at the Nanking Aeronautical Factory, of a plane to be used solely for national defence as requested by the donators of the money. When completed, the machine will be known as *Batavia*.

A Russo-Japanese memorandum concerning the fishing concession in northern Soviet waters is reported from Tokyo to be about to be signed as a result of compromise on the Soviet side. The compromise is stated to be due to the efforts of Koki Hirota, Ambassador to Moscow, who negotiated with M. Karakhan of the Soviet Foreign Office.

Dr. C. T. Wang, former Minister of Foreign Affairs, arrived at Peiping on Aug. 7, according to a Peiping message in Chinese papers. The announced purpose of Dr. Wang's visit to the Old Capital is to attend to some personal affair, but it is believed to be of some political significance in view of the changing situation in the North.

Dr. Robert E. Lewis, adviser to the Ministry of Foreign Affairs, and Mrs. Lewis departed from Shanghai for Seattle, August 9.

Dr. Eugene Rodier, chief of the veterinary research division of the Bureau of Animal Industry in Manila and his family passed through Shanghai during the week en route to the Philippine Islands.

Miss Helen Barchet, an American nurse formerly connected with the Rockefeller hospital Peiping is lying seriously wounded in the Baptist hospital in Ningpo, she having been shot through both hips during a bandit raid in that vicinity.

The committee of the joint reception for students going abroad, at a meeting in the China United building August 9, decided that the reception shall be held on Sunday, August 21 at 4:30 p.m. at Mayor Wu's private garden, 464 Avenue Haig, Shanghai.

George Bronson Rea, who was recently named as an adviser to the Manchukuo Government, and Dr. Chao Chin-po, Chief of the Legislative Yuan of the Government, are scheduled to proceed to Geneva in the Autumn to represent Japan at the meeting of the Assembly of the League of Nations, it has been decided. They will make the trip *via* America.

The death occurred August 5 of Edwin Ellison, police superintendent of Comilla in Bengal, India, following his being shot in the back by terrorists July 29 while riding a bicycle. A Bengalese youth fired at Sir Alfred Watson, editor of the Calcutta *Statesman*, August 5, but missed his aim. The would-be assassin thereupon committed suicide.

Alleging that the moving picture "Shanghai Express," is an insult to the Chinese nation, the Greater Shanghai Bureau of Education has, through Gen. Wu Te-chen, the Mayor, submitted a petition to the Government, asking the Central authorities to approach the U. S. Legation in Peking with a suggestion that the picture should be destroyed.

Dr. Saul B. Arenson, associate professor of chemistry of the University of Cincinnatti, is at present in Shanghai in the course of a tour of the Orient to investigate the status of broadcasting educational talks. He stated in a recent talk that practically every station of importance in the United States has its educational hours during its broadcasting schedule.

Thirty railway workers, suspected of being Communists, were arrested last week at Fangtze Station, on the Kiaochow-Tsinan Railway, by the District Party Headquarters of Weihsien with the assistance of the troops stationed at Fangtze. Following a prelimanary examination the majority were released, but seven men were detained and sent to Weihsien for trial.

F. C. Millington, head of the Shanghai advertising and printing establishment which bears his name, in a recent interview in London stated that Japan, owing to the resentment felt by Chinese at recent events in the Far East is, for the time, out of the economic race. The United States has, he said had also lost much of her initiative in foreign markets owing to the depression at home.

The Tokyo newspapers, August 9, gave great prominence to a demand made by the nonagenarian former Minister of the Imperial Household, Count Mitsuaki Tanaka, that Count Makino, the Lord Privy Seal, and Dr. Ikki, Minister of the Imperial Household, should resign. The incident is believed to be connected with an armed raid by reactionaries in April 1928 on the *Tokyo Asahi* newspaper office.

Jutsu Ito, Chief of the Japanese secretariat of the League of Nations at Geneva, who has been staying in Tokyo for some time to confer with the Government on Japan's policy towards the League of Nations, has been ordered by Count Uchida to return to his post. Mr. Ito is due to arrive at Geneva by the end of September, breaking his journey at Peiping, Harbin and other points enroute.

A recent *Trans-Ocean* telegram from Berlin denied the statement made by a Nanking paper in connection with recent events in Manchuria, that Japan had placed so many orders with Germany for war material that the German arsenals were working full time thereon, pointing out, that the shipment of munitions for export to foreign countries is prohibited by law ever since the enforcement of the Treaty of Versailles.

A Japanese youth named Sasaki who had written a threatening letter to the proprietor of the Tayama Drapery store in the Hongkew district of Shanghai the day previously was apprehended by the Japanese Consular Police on the night of August 2. He stated when arrested that he got the idea from the movie pictures. He had just arrived here from Japan several days previously. He and two companions are being sent back to Japan.

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New Books of Interest in the Far East

Illumination, But Not Solution, of Pacific Problems

Problems of the Pacific, 1931; Proceedings of the Fourth Conference of the Institute of Pacific Relations, Hangchow and Shanghai, October 21 to November 2, 1931, edited by Bruno Lasker; published by the University of Chicago Press.

While there is no reason to suppose that the round table conferences of the Institute of Pacific Relations have ever contributed an iota one way or another to the course of events in the Far East, the sessions of the estimable men and women who make up the Institute have undeniably wrought new and sometimes valuable illumination on the background of developments.

Last year's conference, held under very adverse conditions due to the decided lack of amity prevailing between the Chinese and Japanese members of the Institute, conformed to the above generalization and a record of its sessions—edited to be considerably more dispassionate than they sometimes were—has now been published in a volume of nearly 550 pages for all who are interested in solid information on Oriental affairs.

The proceedings of the conference are listed under five general headings: Economic Relations in the Pacific, China's Economic Development, Political Relations in the Pacific, China's International Relations, and Cultural Relations in the Pacific. There are also appendices describing the work and ideals of the Institute.

Naturally the papers and discussions vary considerably in value from the superficial to the profound, but the general level is sufficiently high to make a careful perusal of the volume well worth while. Some of the papers, as data, are exceptionally outstanding. One is on "Rising Standards of Living in Japan," by Kokichi Morimoto. As a matter of fact, the title is misleading as there is really no data given to show that standards of living are rising in Japan, but as a description of what Japanese eat and wear the paper is complete and thorough-going. Equally excellent except that it is not as detailed is a paper on "Food Consumption in the Chinese Standard of Living" by L. K. Tao.

On the same subject it is subsequently brought out that while China is larger in square miles than the United States, the arable land in proportion to the population makes overcrowding even more severe than is popularly supposed. After mountains and deserts are substracted from China's area, the remainder that is devoted to agriculture, and which supports probably nine-tenths of the population comprises no more than 1,460,000 square miles, and if the Post Office estimate of population (485 millions) be accepted, the density of population on cultivated land (about 22% of the total) averages 1,480 persons to the square mile, which means that the average area of cultivated land per person, for all agricultural China, is a little more than two-fifths of an acre. As a matter of fact, the P.O. population estimate is probably too high, but even if it is reduced by 100 million there would still be only a little more than half an acre of cultivated land per person, which is tragically low even with the most scientific cultivation.

While the conference failed to properly integrate the agricultural plight of China with the communist, or so-called communist, movement in many of the interior provinces, it was now and then intelligently touched upon. A data paper from an unnamed person, after recounting some details of the peasant situation, declared that "no reference to communist propaganda is required to explain the no-rent campaign and peasants' revolts which have taken place in parts of the country," adding that "it is surprising, indeed, that they have not been more frequent."

On the whole, the chapter on communications is the most illuminating in the entire volume although it is very brief. The present railways in China are discussed and described and the deplorable lack of the land in this field is admirably set forth. One data paper cites than in famine relief work in Shansi it was found that transportation of wheat for 233 miles by carts and pack animals cost 79 cents silver per ton mile; by tractors it would have cost approximately 13 cents; and by rail, if a railway had existed, it would have cost just under two cents.

It is cited that 43% of the total railway mileage of China is in Manchuria, and that the railways in China proper are in a terrible condition. One observer said he had travelled over most of the railways in China in 1912 when they were in their heyday, and again 1918 when they were still in good condition, and again in 1931 when there was practically no cargo to be seen because farmers had found they cannot get their produce carried, and equipment had "depreciated everywhere." Yet, he cited, that a fairly punctual service was maintained and there was "no doubt that the Chinese have learned the technique of running railways even under the most trying conditions."

The industrial development, or rather the lack of industrial development, of China is dealt with fairly extensively, Franklin L. Ho pointing out in one paper that China's largest manufacturing industry is cotton spinning but its output is only two percent of the world's total. While Chinese-owned mills represent 57% of the total spindles in China as compared with 39% in the Japanese-owned mills, the Chinese mills have but 27% of the total capital in the industry to 70% for the Japanese mills. These figures are, of course, for 1931 and are probaly changed radically in favor of the Japanese as result of the Chinese mills destroyed during the Shanghai warfare of 1932.

Although it is only given in a footnote there is some illuminating data on Japanese migration to Korea, pointing out that for several years the Japanese population of Korea has increased 20% or more per annum, and that for every Japanese who moves into Korea, at least five Koreans are forced out of the country,—obviously into Manchuria.

One of the most interesting papers in the volume is an address by Dr Hu Shih on "Conflict of Culture." Although Dr. Hu Shih has definitely lagged behing the times in recent years his pioneering against the Confucian tradition must not be forgotton by those who now criticize him, and here is one of the best essays he has ever delivered. His theme is based upon the story of the early Jesuits who came to China bearing clocks, their most adept astronomers, and the Christian religion. The clocks were accepted without a struggle as they were obviously infinitely superior to native time-pieces. Their astronomy was only accepted after tests over a period of nearly 15 years in which they demonstrated beyond argument the superiority of their calculations of eclipses and other heavenly phenomena to the calculations of native astromomers. But to this day Christianity has never been accepted save by an infinitesimal fraction of the Chinese people.

One characteristic of the account of the conference is that the really worth-while information presented is almost always in what are described as "data papers," that is, formal papers submitted by persons more or less expert in the subjects they discuss. Little illumination appears to be shed by the round table discussions on which the Institute sets such store. This, of course, is not suprising to a journalist who has attended innumerable "round table" conferences of many kinds and has never seen any of them make any genuine contribution to a settlement and not much to an understanding of the problems they tackled through informal talk, but it is difficult to appreciate why some persons continue to entertain high hopes of good and practical results from such a method.

If delegates clothed with a certain amount of authority sitting in the Sessions of the League of Nations cannot settle, or even approach settlement, of any major matter—and the record of the League, in the only important crisis it has ever faced, during the past year needs no dilation here, it is difficult to see how individuals without any official status whatsoever can hope to be remotely effective. No one would wish to deprive them of the pleasure they obtain and the information they gain from the biennial conferences of the Institute of Pacific Relations, but one should have no delusions as to the importance of these gatherings. The data papers could just as well be assembled without the conferences, and the round table discussions are of no consequence except for the mental stimulation of the persons participating in them.

The Institute, without doubt, believes there is some efficacy in what its handbook calls the "scientific method in international relations"—fact-finding and discussion to harmonize conflicting viewpoints—but it has never been more apparent than during the past year that in the last analysis the only "scientific method in international relations" of any real potency is the scientific method of warfare. That is a harsh and painful fact but it is better to recognize it than ignore it unless one wishes to join the ghosts of the Kellogg-Peace Pact, the Nine-Power Treaty, the League of Nations, and the Chinese government of Mukden.

W. B.

Shanghai, July 26, 1932.

An Argument for Economic Sanctions

Annals of the American Academy, Vol. 162, July, 1932; Edited by Dr. Ernest Minor Patterson, professor of economics, University of Pennsylvania, president of the Academy, Philadelphia.

Although devoted to the general subject of "National and World Planning," chief interest in the issue of *The Annals* is in arguments pro and con on the subject of economic sanctions in connection with possible action of the League Assembly pertaining to the Manchurian question. Raymond Leslie Buell, research director of the Foreign Policy Association, presents strong and convincing argument that sanctions are necessary if the League and the nations of the world generally are to put a stop to such actions as that represented by Japan's seizure of China's three northeastern provinces. Jerome D. Greene, chairman of the Institute of Pacific Relations, and John Foster Dulles, international lawyer and financier argue against sanctions. Frederick J. Libby, executive secretary of the National Council for Prevention of War, also presents the "Case Against Recent Proposals for the Use of the Economic Boycott."

Another interesting department in this issue of the *Annals* is devoted to the "Press as a Factor in International Relations." The department is edited by Dr. Paul F. Douglas of the University of Berlin and Dr. Karl Bomer, director of the German Institute for Newspaper Research.

Recent Pamphlets Received

An inspiring book, entitled "Road to Prosperity," has been published by the Good Companion Co., North Szechuan Road, Shanghai. The author is Mrs. C. E. Herman Liu, general secretary of the W. C. T. U. of China and wife of C. E. Herman Liu, President of the University of Shanghai. Mrs. Liu strongly believes that China's salvation lies in her citizens' character building, improvement of home life, limitation of population and bringing about political unity. Her book, ten chapters in all, is based upon these four convictions.

The Shantung Christian University has issued the report of the president and administration officers for 1931-32 in a booklet of 36 pages. A paragraph in the president's report is entitled "Student Life in a Stormy Year," the reference being to the fact that the Japanese invasion of Manchuria occurred within three weeks of the opening of the school year. "Cheloo," the Chinese name of the University, was the only school in Tsinan which did not send students to Nanking. However the school was closed for three weeks at the request of the provincial authorities.

The Lingnan Science *Journal*, issued by Lingnan University, Canton, dated July 22, 1932, contains an article on the "Bombyliidae of China and Nearby Regions" by Reginald H. Painter, Kansas Agricultural Experiment Station, Manhattan, Kansas, in addition to much other matter of a scientific nature.

What Parents Say About Baby's Own Tablets

STOMACH TROUBLES. Mrs. P. G. Jackson, of 23, Kaluwella, Galle, Ceylon, writes: "I am very pleased to state that my five children have all used Baby's Own Tablets to great advantage. Whenever they are "off-colour" I give them the tablets and results are very satisfying. For stomach troubles I have found Baby's Own Tablets very effective and I always recommend them."

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WORMS. Mrs. Khine, of 164 Pazundaung, Rangoon, Burma, states: "My little girl, suffered from worms and tried many remedies without avail. But Baby's Own Tablets proved successful and since taking them she has not been troubled with worms and has kept good health. I am a firm believer in Baby's Own Tablets."

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NOTICE

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(Residing Overseas)

Dating from August 1, 1932 the subscription rate for persons residing outside of China has been reduced from G.$10 a year to G.$8 a year, including postage.

The new rate applies to subscribers residing in the United States, Canada, Europe and Russia.

The new rate, estimated in the currency of the Federated Malay States is equivalent to s. s. $15. In India, Australia and other places using English currency the rate is equivalent to £2:8:0.

The China Weekly Review

38 Avenue Edward VII
Shanghai.

Who's Who in China

Chen Chung-shen, government official; born at Wenchow, Chekiang, 1895; after his graduation from the Wenchow College and the University of Nanking in 1917, he travelled over twenty provinces in China as a national secretary of the Chinese Y.M.C.A., giving lectures on social problems; went to America for further education in 1923 and received M. A. and Ph.D. degrees from Columbia University; following his return to China in 1926, he acted as manager of the Tung Yih Trust Company, Shanghai and concurrently served as vice-President of the Wenchow College; appointed division chief on Foreign Trade in the Ministry of Industry, Commerce and Labor, 1928-31 and concurrently, professor of the Central University and the Central Political Institute at Nanking; member of the National Sanitation Commission, Ministry of Interior; Member of the National Tariff Commission, Ministry of Finance; economic expert of the National Capital Reconstruction Commisson; appointed technical expert attached to the Chinese Delegation to the Moscow Conference, 1931; now, counsellor of the Ministry of Industries; for several years, he served as a member of the Board of Directors of the University of Nanking and two other educational institutions; author of "The Chinese Census" (his doctorial dissertation) and many articles in periodicals and magazines; address: Ministry of Industries, Nanking.

陳鐘聲

Dr. Chen Chung-shen

陳鐘聲，年卅七歲，浙江永嘉人，南京金陵大學文學士，美國哥倫比亞大學政治經濟科碩士，博士，歷任全國青年協會幹事，上海通易信託公司經理，浙江藝文學院院長，國立中央大學及中央政治學校教授，工商部通商科科長，內政部衛生專門委員會委員，國定稅則委員會委員，國府首都建設委員會專門委員，中俄會議專門委員，實業部參事等職，著有「中國戶口調查沿革史」等書。

Hunan Official Charged with Selling Lead and Antimony to Japanese

The Control Yuan at Nanking has instituted impeachment proceedings against Tan Chang-kai, Provincial Commissioner of Reconstruction of Hunan province, for alleged secret sale of lead and antimony to Japan for use as material in the manufacture of ammunition. The petition of impeachment, which was originally brought up by member Lo Chia-fu, points out that since the Japanese invasion of Manchuria last September, the entire nation has severed economic relations with the Japanese. Government officials should naturally set an example in this matter, and the sale of raw materials which may be used for the manufacture of arms and ammunition must be especially guarded against.

Chinese Banks in Singapore Amalgamate

The Ho Hong Bank, the Chinese Commercial Bank, and the Oversea Chinese Bank of Singapore have decided to amalgamate the three institutions. The amalgamation will have a total paid-up capital and reserves of over 12,000,000 Straits Settlements dollars.

International Club Opens in New Home on Hungjao Road

The International Club, organized by leading Chinese and foreign business men in Shanghai, held its inauguration meeting at its club house in Hungjao road, Shanghai, July 8. Li Ming, general manager of the Chekiang Industrial Bank, and one of the Chinese founders of the club, delivered the opening address, in the course of which he pointed out that the club was organized for the purpose of promoting international goodwill and friendship. In the course of his remarks Mr. Li said the Club had purchased the Farland Property at a cost of Tls. 200,000. Having secured about 60 proprietary members, subscribing Tls. 5,000 each, the Club was finally formed. At the present moment it had about 100 members with Mayor Wu honorary president, and T. V. Soong and Vilhelm Meyer as honorary members.

Irish Dail Votes Two Millions Sterling to Fight Economic War Against England

By a vote of 58 to 43 the Irish Dail August 5 voted a fund of £2,000,000 to fight an economic war against Great Britain, and then adjourned until October 19. This action was taken despite criticism by Patrick Hogan, who was minister for agriculture in the late Cosgrave Government, who said that the country was being deceived into the belief that the quarrel with England was only over the withholding of the Land Annuities, whereas de Valera was really concerned with other matters. Mr. Hogan said that he was entirely convinced that there was no legal case for Ireland to retain the Land Annuities.

Eurasia Route to Sinkiang Being Opened

Preparations are being hastened by the Eurasia Aviation Corporation for the early inauguration of the entire Shanghai-Sinkiang Airway route in order to furnish rapid communication facilities with Europe in place of the trans-Siberian route, which has been abandoned since the postal embargo on Manchuria. A trial flight was started August 10 when Herr Schmidt, Director of the Operations Department, took off from Peiping on one of the newly arrived Junkers planes. He is scheduled to travel via Lanchow, Suchow (Kansu), Hami, and Tihua (Sinkiang), returning to Shanghai August 15.

The Fate of a Gambling House in the French Concession

The China Realty Co., in an advertisement in the Shanghai newspapers during the week on behalf of the owners of the property at 809 Rue Ratard, French Concession, gave notice that—because of its illegal use for gambling, the house was raided by the Police on July last—the lessee is liable for the payment of rent for the full term of his lease and unless payment in full is made on or before August 15, all furniture and fixtures installed by the lessee on said property would be confiscated and sold.

Japan's Cotton Industry Better Off than Britain's

The report of the International Federation of Master Cotton Spinners' and Manufacturers' Associations issued in London August 8 shows that the spinning and manufacturing sections of the industry in Britain in the past quarter worked on an average only 60 per cent of their capacity. The mills of Japan are stated to be doing better than those of Britain and better than those on the continent but nevertheless are experiencing difficulties owing to currency and political conditions.

Fukien Residents Urge Loan to Build Railways

The flotation of a public loan of $18 millions for the construction of 2,000 kilometers of highways in Fukien province is urged by the local Fukien Residents' Association in a petition to the Executive Yuan. The petition suggests that a sum of $3.2 millions shall be earmarked annually from the revenues derived from stamp tax, wine and tobacco taxes and business tax for the service and redemption of the proposed loan.

Chinese Want No Foreign "Interference" in District Court Reforms

Commenting upon the proposed revision of the Shanghai Special District Court Agreement, which expires on March 31 next year, the *China Times*, in a recent editorial, while advocating the introduction of various reforms, expressed the opinion that the Chinese Government must take a firm stand in the matter so as to discourage any "fantastic and unreasonable" proposals from foreign quarters. The editorial says that not only is it impossible to countenance the proposal for the establishment of a so-called International Court in place of the existing Special District Court, but the present arrangement is also not wholly in conformity with China's judicial system. As it is generally acknowledged that the foreign settlements remain integral parts of the national territory, there is no reason why China can not exercise full and unfettered jurisdiction within such settlements. The very fact that the Chinese courts in the Settlement are regulated by a Sino-Foreign agreement is in itself derogatory to China's sovereignty. The editorial suggests therefore that should the foreign Powers bring up unreasonable demands, the Chinese Government should carry out reorganization of the courts in conformity with the Chinese judicial system simply by notifying the interested Powers on the date of expiry of the agreement. As for various judicial reforms, the editorial points out that these are the sole concern of the Chinese Government and are therefore matters with which foreigners have no right to interfere.

Floods in Manchuria Delay Passengers via Siberia

Floods of an unusual character have been devastating north Manchuria during the past week. The Sungari river, on which Harbin is located, has been rising rapidly and parts of Fudjadien, the Chinese city adjoining Harbin, have been flooded, with the result that the Chinese have evacuated and are camping in the open in New Town. A trainload of passengers via Siberia was marooned at a town nine miles east of Tsistihar and had to be rescued with motor boats. The Hulan bridge on the river of the same name was washed away after having just recently been reconstructed. The Japanese troops report a considerable loss of ammunition as the result of the floods.

Huge Floods Threatened in Kwangtung Province

Due to the incessant rainfall, Kwangtung province is menaced by a flood of huge proportions. Large areas in Shiuhing, Koming, and Samshui are already inundated due to the overflow of the Sikiang (West River). Rises are also reported from the Pehkiang (North River) and Tungkiang (East River) districts where the inhabitants are working day and night to strengthen the dykes.

Kiangsi Finance Commissioner Is Impeached

The Control Yuan has impeached the Kiangsi Provincial Government and, particularly, Wu Chien-tao, Provincial Commissioner of Finance, for the illegal imposition of a so-called "production and distribution" tax.

A special committee of three, headed by Dr. Lo Wen-kan, in his capacity as Minister of Justice, has been appointed by the Central Political Council to draft the regulations governing the organization of the Disciplinary Committee of the National Goveanment. The proposed Committee, will be composed of from seven to nine members elected from amongst members of the National Government Committee. Its function will be mainly to hear and adjudicate cases of impeachment against high political officials,

U.S. Leads All Other Countries at Los Angeles Olympic Games

The Olympic Games came to an end at Los Angeles August 7, the results showing that the United States by far led all other countries in the number of points gained and in the championships. Herewith are some of the outstanding figures, the first figure representing points, the second the member of championships gained.

United States—218, 11; Finland—72, 3; Great Britain —55, 2; Japan—35, 1.

In the women's land events, the leading figures were:

United States—78, 5; Germany—16, 5; Japan—5, 0;

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In the United States Court for China

In re.	Cause No. 3458
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Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOANNA MARIA JUSTER LEE deceased, to present the same with vouchers to the undersigned on or before February 27th 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China. THOMAS ALLA LEE
July 22, 1932. Executor, 64 Rue Molliere
Shanghai, China.

In the United States Court for China

LORAINE LOWDER PINKSTON, Plaintiff, vs. JOSEPH EDWARD PINKSTON, Deceased	Cause No. 3464 Civil No. 1552 ORDER Filed at Shanghai, China, July 22nd, 1932. Sgd L. T. Kenake Asst Clerk.

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by her attorney, has this 22nd day of July, 1932, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 22nd day of July 1932, the summons for the defendant was returned by the Marshal of the United States Court for China "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 20th day of July, 1932, Loraine Lowder Pinkston, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has he been within the jurisdiction of this Court during the last year previous to the 20th day of July 1932;

NOW TEHEREFORE it is this 22nd day of July, 1932, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a weekly paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holiday, occurring after the 20th day of August, 1932, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

SGD MILTON D. PURDY
Judge.

How Japan Prepares for the Battle at Geneva

A special despatch from Geneva, July 27, to the *Osaka Mainichi*, said: "Japan's consolidation of her position in Manchuria has so complicated the situation that the League officials fail to see how the Commission of Enquiry or the League can satisfy China and the small members of the League without angering Japan. The representatives of the small Power League members, however, feel that the Lytton recommendations will be worded weakly in view of the attitude of the big Powers, especially Britain and France. Even if the report blames Japan, the League officials think that Japan will not actually withdraw from the League as is often threatened, but will merely cease to attend the Assembly and the League Council as has been done previously by certain Latin-Americans. In that event the League of Nations would be in a quandary as to how to handle the 600 islands in the Pacific over which Japan maintains the League mandate."

"What Japan declares at the League Assembly in November will be the final chapter to the nation's 60 years' diplomacy," stated Yosuke Matsuoka with reference to his preparations for the coming Geneva trip when interviewed by the *Osaka Mainichi* on July 27. Continuing, Mr. Matsuoka said: "Once we have resolved that Japan is pursuing a righteous course, we must not falter because of such hallucinations as an economic blockade and war. There is no knowing what the Europeans and Americans may tell us. But, in case they turn out hopelessly irrational, all we should do is to bid farewell quietly, though such is what I least expect. I have no knowledge what will be the nature of the final report of the League Commission of Enquiry. Yet, one thing is certain: there in no room for misunderstanding between Japan and the Commission as the result of its recent visit. I duly appreciate, however, and sympathize with the difficult position in which the Commission is placed."

Unity Behind Stimson's Policy on Manchuria

(*The Nation, August 5*)

Plans of the New Government of Manchukuo to seize the customs receipts collected at Dairen have brought strong protests from England, France and the United States. These protests, at least so far as this country is concerned, were inevitable. The whole of China is under a single customs administration. This fact in a very definite sense symbolizes the political integrity of that country. If Washington were to recognize the asserted right of the new government to collect the customs, it would in fact be recognizing the separation of Manchuria from China proper. But the United States has long contended that Manchuria was an integral part of China. Moreover, in his note of January 7 Secretary of State Stimson flatly declared that this country could not recognize any action taken by Japan in Manchuria which violated the Nine-Power Treaty or the Kellogg Pact, and since then the United States has steadfastly refused to acknowledge the existence of an independent state in Manchuria. It is interesting to note that the customs protests were addressed to Tokio, for this is in line with Mr. Stimson's plan to hold Japan accountable for its aggression against China in Manchuria. Even more interesting is the fact that Great Britain and France delivered similar protests. This indicates that they will, hereafter support the new Stimson policy as suggested in the American note of Janauary 7.

Japanese Armed "Emigration" to Manchuria

In view of the situation in Manchukuo apparently having been "almost stabilized," the Japanese War Office authorities have been considering "armed emigration" to Manchuria as the first step of the projected positive emigration plan of the Government. According to the tentative plan, a total number of 10,000 ex-service-men will be emigrated within ten years, sending two batches every year. All emigrants, it is said, will be provided with travelling and other expenses, from 1,000 to 1,500 yen each. The district where emigrants will settle down will probably be selected near Iran, where the threat from bandit attacks are comparatively rare.

Chinese Gunboats at Hongkong Are Released

The 12 Chinese gunboats which were recently involved in a naval episode, returned to Canton from Hongkong during the week, following negotiations with the Hongkong government for turning over the vessels to the Canton Government. Chu Chao-hsin, formerly Minister to England and now Inspector-General of Foreign Affairs for the five south-west provinces, conducted the negotiations on behalf of Canton.

COLONEL STIMSON IN NEW YORK SPEECH REFERS TO JAPAN AS "INVADER"—TOKYO PROTESTS

(*Continued from page 386*)

tion. Furthermore, it provided under the auspices of the League circumstances for the use of force by the community of nations against a wrongdoer as a sanction. It created a community group of nations pledged to restrict war, equipped with machinery for that purpose.

Threat of War

Some of this machinery notably Article 11 which provides on a threat of war for the calling of a conference of nations pledged to restrict war in self-defence equipped with machinery for that purpose, which on numerous occasions has proved a valuable influence in the prevention of war. Another important and beneficient result of the League organization has been the regular conferences between the representatives of the different nations.

These discussions have proved to be effective agencies for the settlement of controversies and thus for war prevention. By them has been developed, particularly among the nations of Europe, a community spirit which can be evoked to prevent war. In this way there has been produced the beginning of a group sentiment which is wholly at variance with some of the old doctrines in respect to war.

Pact of Paris

A few years later, in 1928, came the still more sweeping step of the Pact of Paris, known as the Briand-Kellogg Pact. In this treaty substantially all the nations of the world united in a covenant in which they renounced war altogether as an instrument of national policy in their relations with one another and agreed that the settlement of all disputes or conflicts of whatever nature among them should never be sought except by pacific means.

The change of attitude on the part of world public opinion toward former customs and future guidance which is evidenced by these two treaties, is so revolutionary that it is not little proof that the progress has numbered the landmarks and in the opinion of many observers the treaties signalize a revolution in human thought, but they are not the result of impulse or thoughtless sentiment.

Civilization's Doom

At bottom they are the growth of necessity and are demonstrative of a consciousness that unless some such step were taken modern civilization would be doomed. Under its present organization the world simply could not go on recognizing war with its constantly growing destructiveness as one of the normal instrumentalities of human life.

Human organization has become too complex, has become too fragile, to be subjected to the hazards of the new weapons of destruction turned loose with sanction of international law. So the entire central point from which the problem was viewed was changed. War between nations was renounced by the signatories of the Briand-Kellogg Treaty. This means that it has become illegal throughout practically the entire world.

Rights of Nations

It is no longer to be the source and subject of preferences. It is no longer to be the principle around which the duties, the conduct and the rights of nations revolve. It is an illegal thing. Hereafter when two nations engage in armed conflict either one or both of them must be wrongdoers—violators of this general treaty law. We no longer draw a circle about them and treat them with the punctilios of the duelists' code. Instead we denounce them as law breakers.

But one cannot overlook the fact that we have made obsolete many of the precedents and have given the legal profession the task of reexamining many of its codes and treaties.

Critics of Pact

The language of the Briand Kellogg Treaty and the contemporaneous statements of July 24 make its purposes clear. Some of its critics have asserted that the Pact was really not a treaty at all; that it was not intended to confer rights and liabilities; that it was a mere group of unilateral statements made by the signatories, declaring a pious purpose on the part of each. of which purpose a signatory was to be the sole judge and executor, and for a violation of which no other signatory could call him to account.

If such an interpretation were correct, it would reduce the pact to a mere gesture. If its promises conferred no rights as between the members of the communities of signatories, it would be a sham. It would be worse than a nullity, for its failure would carry down the faith of the world in other efforts for peace.

But such critics are wrong. There is nothing in the language of the pact nor in its contemporaneous history to justify such an interpretation. On its face it is a treaty containing definite promises. In its preamble it expressly refers to the "benefits furnished by this treaty" and states that any signatory power violating its promise shall be denied those benefits. The correspondence of the framers of the treaty show that they intended it to be a treaty which would confer benefits.

During the period when the treaty was under negotiation Mr. Kellogg declared in a public address: "If war is to be abolished, it must be through the conclusion of specific treaty solemnly binding the parties not to resort to war with one another. It cannot be abolished by mere declaration in the preamble of a treaty." (Speech of March 15, 1928, before the Council of Foreign Relations at New York.) At Leipzig in drafting the treaty, Mr. Kellogg rightly and tenaciously fought for a clear terse prohibition of time free from any detailed defense or reservation. In his own words be sought, "A treaty so simple and unconditional that the people of all nations could understand easily, a declaration which could be a rallying point for world sentiment, a foundation on which to build a world peace." (Speech of March 28, 1930, before the League of Political Education at New York.) Any other course would have opened the door to the definition of self-defense and to its limitations.

As it stands, the only limitation to the broad covenant against war is the right of self-defense. This right is so inherent and universal that it was deemed unnecessary even to insert it expressly grounded. It had to be also so well understood that it does not weaken the treaty. It exists in the case of the individual under domestic law, as well as in the case of the nation and its citizens under the law of nations. Its limits have been clearly defined by countless precedents. A nation which sought to mask imperialistic policy under the guise of the defense of its nationals would soon be unmasked. It could not long experience hopes to confuse or mislead public opinion on a subject so well understood or in a world in which facts can be so easily gathered and appraised as they can be today.

No Sanctions of Force

The Briand-Kellogg Pact provides for no sanctions of force. It does not provide for the signatory to intervene with measures of force in case the pact is violated. Instead it rests upon the sanction of public opinion, which can be made one of the most potent sanctions of the world. Any other course was fraught with the possibility of entangling the signatories in international politics, would have confused the broad, simple aim of the treaty and prevented beyond compreshension the development of that public opinion upon which it most surely relies. Public opinion is the sanction which lies behind all international intercourse in time of peace. Its efficacy depends upon the will of the people of the world to make it effective. If they desire to make it effective, it will be irresistible. Those critics who scoff at it have not accurately appraised the evolution in world opinion since the great war.

Determined Aim

From the day of its ratification on July 24, 1929, it has been the determined aim of the American Government to make its sanction of public opinion effective and to insure that the Pact of Paris should become a living force in the world. We have recognized the hopes which it represented. We have resolved that they should not be disappointed. We have recognized that its effectiveness depends upon the cultivation of the mutual fidelity and good faith of the group of nations which has become its signatories and which comprise all of the nations of the world. We have been determined that the new order represented by this great treaty shall not fail.

In October 1929 President Hoover joined with Mr. Ramsay Macdonald, the Prime Minister of Great Britain, in a joint statement at Rapidan in which they declared "Both our Governments resolve to accept the pact not

only as a declaration of good intention, but as a positive measure to direct national policy in accordance with its pledge."

That declaration marked a new epoch.

The Russian Descent on Manchuria

In the summer of 1929 hostilities threatened between Russia and China in North-west Manchuria. Both nations were signatories of the Pact. It was the most desirable portion of the world in which such a challenge to this treaty could have occurred. Yet we at once took steps to organize public opinion in favor of peace. We communicated with the governments of Great Britain, Japan, France, Italy, and Germany, and the governments of Russia and China and successfully called attention to their obligations under the Pact. Later during the same autumn when hostilities actually broke out and military forces of Russia had crossed the Manchurian boundary and attacked the forces of China, our government communicated with all of the signatories of the Pact, suggesting that they urge upon Russia and China a peaceful solution of the controversy between them. Thirty-seven of these nations associated themselves with our action or signified their approval of our attitude. Although the aspect of the controversy had been extremely threatening and the forces of Russia had penetrated nearly a hundred miles within the boundaries of China, the restoration of the status quo was accepted by both parties and the invading forces were promptly withdrawn.

In September, 1931, hostilities broke out between the armed forces of Japan and China in the same quarter of the world, Manchuria, and the situation was brought to the attention of the Council of the League of Nations, which was actually in session at Geneva. We were invited to confer as to the bearing of the Pact of Paris upon the controversy. We promptly accepted the invitation, designating a representative to meet with the Council for that purpose; and the attention of the disputants was called to their obligations under the pact by France, Great Britain, Germany, Italy, Spain, Norway, and the United States.

The hostilities between Japanese and Chinese armed forces continued and protracted efforts towards conciliation were made by the Council of the League, which had taken jurisdiction of the matter. The American Government maintained its attitude of sympathetic cooperation with the efforts of the Council and acting independently through the diplomatic channels endeavored to re-enforce the Council's efforts at conciliation. Finally, when in spite of these efforts Japan had occupied all of Manchuria, the American Government formally notified both that country and China, on January 7, 1932 that it could not recognize any treaty or agreement which might be brought about by means contrary to the covenant and obligations of the Pact of Paris. Subsequently, on March 11, this action of the American Government was endorsed by the Assembly of the League of Nations, at a meeting in which fifty nations were represented. On that occasion under circumstances of the utmost formality and solemnity, a resolution was adopted, unanimously, Japan alone refraining from voting, in which the assembly declared that it is incumbent upon the members of the League of Nations not to recognize preferment through treaty or agreement which will be brought about by means contrary to the covenant of the League of Nations or to the Pact of Paris.

New War Viewpoint

These successive steps cannot be adequately curbed unless they are measured in the light of the vital point of view which I have described in the opening of this address. They were the acts of nations which were bound together by a new viewpoint towards war, as well as by covenants which made that viewpoint a reality. Except for this new viewpoint and these covenants these transactions in far-off Manchuria under the rules of International law theretofore obtaining might not have been deemed the concern of the United States. Under the former concepts of International Law when a conflict occurred it was usually deemed the concern only of the parties to the conflict or only of the injured party. The others could only exercise and express a strict neutrality alike towards the injured and the aggressor. If they took any action, or even expressed an opinion it was likely to be deemed a hostile act towards the nation against which it was directed. The direct individual interest which each nation has in preventing a war had not yet been fully appreciated nor had that interest been given legal recognition. But now under the covenants of the Briand-Kellogg Pact such a conflict becomes of concern to everybody concerned with the Pacific issues. All of the steps taken to enforce the treaty must be judged by this new situation. As was said by M. Briand quoting the words of President Coolidge: "An act of war in any part of the world is an act against the interests of my country." The world has learned that great lesson and the signature of the Briand-Kellogg Treaty codified it.

World Opinion Behind

Thus the power of the Kellogg Treaty cannot be adequately appreciated unless it is realized that behind it rests the combined weight of the opinion of the entire world united by a deliberate covenant which gives to each nationality the right to express its moral judgment. When the American Government took the responsibility of sending its note of January seventh last, it was appealing to a new common sentiment and to the provisions of a treaty as yet untested. Its own renunciation to recognize the fruits of aggression might be of comparatively little moment to an aggressor. But when the entire group of civilized nations took their stand baside the position of the American Government, the situation was revealed in its true sense. Moral disapproval when it becomes the disapproval of the whole world takes a significance hitherto unknown in International Law. For never before has International opinion been so organized and mobilized.

Another phase which follows this development of the Briand Kellogg Treaty is that inevitably signatories of the Pact when faced with the threat of its violation find consultation inevitable. Any effective invocation of power of world opinion postulates discussion and consultation. As long as the signatories of the Pact support the policy which the American Government has endeavored to establish during the past three years of arousing a united and living spirit of public opinion as a sanction of the pact, as long as this course is adopted and endorsed by the great powers of the world who are signatories of that treaty, consultations will take place as an incident to the unification of that opinion. The only exception which was followed in the Sino-Japanese controversy last Winter shows how naturally and inevitably consultation was resorted to in this effort to mobilize the public opinion of the world. The moment a situation arose which tried the effectiveness of this treaty, which the peoples of the world have come to regard as so vital to the protection of their interests, practically all the nations consulted in an effort to make effective the great peaceful purposes of that treaty.

Consultation Implied

That the pact thus necessarily carries with it the implication of consultation has perhaps not been fully appreciated by its wellwishers who have been so anxious that it be implemented by a formal provision for consultation. But with the clarification which has been given to its significance by the developments of the last three years, and the vitality with which it has been succeeded by positive construction put upon it, the misgivings of these well wishers should be put at rest.

That the American people subscribe to this view is made clear by the fact that each of the platforms recently adopted by the two great party conventions at Chicago contain planks endorsing the principle of consultation.

I believe that this view of the Briand Kellogg Pact which I have discussed will become one of the great permanent policies of our nation. It is founded upon conceptions of law and ideals of peace which are the most cherished faiths of the American people. It is a matter of policy as it combines the readiness to cooperate for persevering and justice in the world which Americans have always manifested, while at the same time it preserves the independence of judgment and the liberty of action upon which our people have always insisted. This policy must strike a chord of sympathy in the conscience of all other nations.

World War Lessons

We all feel that the lessons taught by the great war must not be forgotten. The determination to abolish war which embraces from that calamity must not be relaxed. Aspirations of the world are expressed in the Great Peace Treaty which I have described. It is only by continued vigilance that this Treaty can be built into an effective living reality. The American people are serious in their support and evaluation of the treaty period. They will not fail to do their share in this endeavor.

Japanese Deplore Simpson's Speech

A *Reuter* telegram from Tokyo August 8 stated that Col. Henry Stimson's speech virtually accusing Japan of being the aggressor in the Manchurian dispute is deplored in Japanese official circles where it is feared it will serve further to irritate national sentiment and therefore is likely to have results contrary to those presumably intended by the American secretary of state. A Japanese Foreign Office spokesman in discussing the speech expressed the wish that third parties would avoid "statements and actions liable to aggravate the situation." He declared that speeches such as that delivered by Col. Stimson increased the Japanese Government's difficulty in controlling popular feeling and he added that Japan was determined to have a buffer state between China and Soviet Russia.

The spokesman added that the question regarding the time of Japan's recognition of Manchukuo was largely dependent on the nature of the League Commission's report on its investigations in Manchuria. In the meantime the vernacular papers express indignation over Col. Stimson's speech.

Dead Body of Prominent Y.M.C.A. Official Found in Whangpoo River

The lifeless body of Wilson Y. Y. Kung, comptroller of the National Committee of the Y.M.C.A.'s of China, was found by the river police at noon August 6 in the Whangpoo River on the Pootung side opposite Shanghai. An autopsy performed by the Shanghai District Court revealed a severe knife wound on the left side of the neck. It is believed that Mr. Kung was the victim of robbers who first assaulted him with a knife and then threw him into the river.

Reconstruction Bank to Be Inaugurated Next New Year

The Ministry of Industry has announced that inauguration of the Reconstruction Bank of China will take place on New Year's Day, 1933. Capitalized at $10 millions, the bank will be a joint government and mercantile enterprise with the Ministry of Industry subscribing 40 per cent. of the capital. It is understood that Overseas Chinese residing in America will co-operate in taking up the balance of $6 millions.

Latest New York Stock Exchange Quotations

Market:—Irregular Business Done 3,800,000 Shares

Aug. 10, 1932

1931-1932 High	1931-1932 Low	Div.$ per Sh.	STOCKS	Mon. Aug. 8	Tues. Aug. 9
5¾	1⅝	—	Adams Express	5	5
87½	42½	•6.00	Allied Chemical & Dye	76½	77⅛
13⅝	4	—	Allis Chalmers	11¼	10⅝
73⅞	29⅝	•4.00	American Can	51⅜	51⅝
9¼	2	—	Amer. & Foreign Power	6	7⅛
5	1⅛	—	Amer. & For. Power W.	3¼	4⅛
18⅝	5⅛	—	American Smelting	15⅛	16
137⅝	70¼	9.00	American Tel. & Tel.	110¼	111½
86¾	44	•5.00	American Tobacco "B"	78½	79⅜
34⅛	11	2.00	American Waterworks	23	24¾
12⅝	3	—	Anaconda Copper	10	9¼
151¾	28¾	•4.00	Auburn Automobiles	74¼	73
21⅜	3¾	—	Baltimore & Ohio	11⅜	11⅛
24⅜	7¼	—	Bethlehem Steel	19½	18¾
43⅛	20⅛	•2.00	Borden Company	30¼	30⅜
12⅝	3⅜	—	Borg Warner	9½	8¾
20⅝	7¼	1.25	Canadian Pacific Railway	14½	12¾
50¼	16¾	—	Case, J. I.	50¼	49¾
32½	19	2.00	Chase Bank	33⅝	33¼
20⅝	4⅞	2.00	Chesapeake Corp.	10½	10⅜
15¾	5	1.00	Chrysler	11⅞	11¾
6⅞	1¼	—	Cities Service Co.	4⅜	4¾
16⅛	4¼	1.00	Columbia Gas & Electric	13⅝	14
4⅞	1⅝	.30	Commonwealth & Southern	3⅛	3⅝
¾	1/16	—	,, ,, warr.	⅜	½
68¾	31½	4.00	Consolidated Gas. of N.Y.	54½	54⅛
7	3⅝	—	Continental Oil	7⅛	7
47⅜	24¾	•3.00	Corn Products	41	40⅛
2¾	⅞	—	Curtiss Wright Co.	1½	Unq.
57	23	4.00	Drug Incorporated	40¾	41
59¾	22⅛	3.00	Du Pont de Nemours	38¾	38½
87⅞	35¼	5.00	Eastman Kodak	63	60½
32⅝	5	6% S	Electric Bond & Share	16½	19
15⅜	2¾	—	Electric Power & Light	6¾	8⅛
5⅜	1	—	Fox Film "A"	3⅛	3⅝
26⅛	8½	.40	General Electric	19⅛	18¾
40½	19⅝	2.00	General Foods	28½	27⅝
24⅝	7⅝	1.00	General Motors	15⅝	15
28⅝	6⅛	1.00	General Railway Signal	17⅛	17
24¼	10⅜	1.00	Gillette Safety Razor	17½	17⅜
19⅝	8¼	1.60	Gold Dust	16¼	16¼
5⅝	2¼	—	Goodrich Rubber	6⅛	5⅞
18¾	5½	—	Goodyear Tire & Rubber	17⅛	17½
18¾	3⅝	—	International Cement	10¾	9⅞
1⅞	½	—	International Combu. Eng	1	1
29¾	10⅜	1.80	International Harvester	26⅝	26½
9¼	3½	—	International Nickel	8¼	8
12¼	2⅝	—	International Tel. & Tel.	8⅞	9⅛
25½	10	—	Johns Manville	20⅛	20½
13	4⅞	—	Kennecott	10½	10¼
9⅛	1/32	—	Kreuger & Toll	⅛	⅛
61¾	32⅛	•4.00	Liggett & Myers, "B"	57¼	56¼
34	13¼	•3.00	Loew's: Inc.	26¾	26¼
16⅞	9	1.20	Lorillard P. Co. (com.)	16⅛	16
5	1½	—	Ludlum Steel	6	5½
12⅛	3½	—	Montgomery Ward	11⅝	11
54¼	23⅜	2.00	National City Bk. bid price	42½	Not
6⅝	2½	—	Nevada Copper	5½	5
36⅝	8¾	—	New York Central	20½	21⅝
40	13¾	10%S	North American Co.	27½	27¾
37	16⅞	2.00	Pacific Gas & Electric	27¼	27¼
5¼	1½	—	Packard Motors	3⅜	3½
11½	1½	—	Paramount--Publix. Corp.	4¾	4½
23⅝	6½	—	Pennsylvania Railroad	14¾	15⅜
3¾	1	—	Pennroad Corporation	2½	2½
6½	2	—	Phillips Petroleum	6⅞	7¼
60	28	3.20	Public Service of N. Jersey	45½	46¾
10⅝	2½	—	Radio Corporation	7⅜	7⅜
7	1½	—	Radio-Keith Orpheum	4¼	4
40¼	26½	3.00	Reynolds Tobacco "B"	34⅝	34
37⅜	9⅞	—	Sears Roebuck	23	21¾
6⅜	2½	—	Shell Union	7	6⅝
10½	3	—	Simmons Company	7¾	7⅝
11	5¼	.80	Socony-Vacuum Corp.	11	11¼
32¾	15¾	2.00	SouthernCaliforniaEdison.	26	26
34¼	7⅝	2.00	Standard Gas & Electric	17	18⅞
35½	19⅞	•1.00	Standard Oil of N. Jersey	35¼	35¼
15½	9¼	1.00	Texas Corporation	16⅜	16⅛
26¾	12	2.00	Texas Gulf Sulphur	20½	19½
6	2⅛	—	Trans America	5	5
36⅞	15½	1.20	Union Carbide & Carbon	24½	25¼
94½	27⅝	6.00	Union Pacific Railway	66	65
16⅞	6½	—	United Aircraft & Trans.	13¾	13⅝
10½	3½	.40	United Corporation	8¼	9⅛
21¾	9¼	1.20	United Gas Improvement	18	18¼
5⅜	1¼	—	U.S. Rubber	5¼	5¼
52⅝	21¼	—	U.S. Steel	41⅝	40⅛
18⅞	5¼	—	Vanadium	14⅛	14¼
4⅝	½	-	Warner Bros. Pictures	2½	2½
35⅞	15⅞	—	Westinghouse E. & M.	34¾	34
45⅝	22	2.40	Woolworth	35¼	35⅛
*Plus extras			Call Money	2%	2%

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New York stock quotations received daily

Sassoon House Telephones 11200 (4 lines)

The National City Co. Gold Bond Quotations Received From Head Office

Aug. 4, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	39½	—
Argentine Government	6 % May 1, 1960	42	—
U. S. of Brazil	6½% Oct. 15, 1957	20	—
Republic of Finland	6½% Sep. 1, 1956	55⅞	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	43¼	—
Kingdom of Italy	7 % Dec. 1, 1951	95	7.49
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	58¼	—
American I.G. Chemical Corporation	5½% May 1, 1949	70	8.97
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	43	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	62	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	63	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	61	—
Chinese Government (Crisp Loan)	5 % 1912	40	—
Shanghai-NankingRailway	5 % 1904/08	30½	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	58½	—
Hukuang Railway	5 % 1911/1951	20	—
Tientsin-PukowRailway	5 % 1908/09	25	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange
Shanghai, Aug. 10, 1932

Demand selling rate on America:	U.S. $1.00=Sh. $4.8794
Demand buying rate on America:	U.S. $1.00=Sh. $4.7517
Demand selling rate on London:	£1.0.0=Sh. $16.911
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What Shall We Have for Dinner?

What happens at your daily conference with the cook on the vexed question of what to order for meals? Do you simply tell him to make what he pleases because your appetite is keen enough to cope with anything? Or have you to rack your brains thinking of something to tempt you, whilst knowing full well that whatever dainty is served it will have no attraction when meal-time comes?

Jaded appetites are common in hot countries. Countless people have to flog their appetites with cocktails and other artificial stimulants. But loss of appetite should be treated from a different angle. Appetite is poor because the digestive organs are weak and this requires tonic treatment through the blood.

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The Trial of Mr. and Mrs. Noulens Is Resumed

The trial of Mr. and Mrs. Noulens on charges of communism was resumed at Nanking, August 10, but little progress was made.

Mr. Noulens again adopted the same attitude as before his hunger strike which postponed the trial—refusing to answer the judge's questions, and declaring that the court had no competence to try himself or his wife. He asked that the case be transferred to the Shanghai District Court.

The judge then produced documents which are alleged to prove that the two defendants have been guilty of communist activities in this country.

Noulens was allowed to examine them. He then declared that he wanted all the documents which were alleged to prove his guilt, as those handed him by the judge were not complete. He then pointed out that the documents alleged to be communications with communists were all typewritten and bore no signatures.

Noulens also refused to sign the minutes of the previous sessions of his trial, stating that they were not a correct record of the proceedings. He then stated he reserved his right to make a final statement before the Court rendered its decision. He said the lawyers were not allowed to defend him or his wife in the Nanking Court and that they were present with the sole object of petitioning for the transfer of the case to the Shanghai District Court.

General Chiang Wants Cooperation in Campaign Against Communists

General Chiang Kai-shek, President of the Military Affairs Commission and Commander-in Chief of the Honan-Hupeh-Anhwei Bandit-suppression Forces, arrived back in Hankow from Kuling, August 3, aboard the gunboat *Ming Chuan*, which was escorted by the *Hsienning*. Immediately upon his arrival, General Chiang received General Hsia Tou-yin, Chairman of the Hupeh Provincial Government, and other high provincial officials.

As a reward for their success in recovering Tienmen and Chienkiang, southern Hupeh, from the hands of the "Reds" late last month, it is learnt that General Chiang Kai-shek has ordered that a sum of $30,000 to be distributed among those units under General Hsu Yuan-chuan which participated in the campaign.

The National Government, in a mandate issued Aug. 2, appointed General Tsai Ting-kai as Commander of the 19th Route Army, in succession to General Chiang Kwang-nai who has resigned on account of ill-health. General Tsai also holds the concurrent post of Acting Director of the Fukien Pacification Headquarters at Foochow.

Co-operation between the local civil authorities and the military units engaged in bandit-suppression activities was stressed by General Chiang Kai-shek, in identic orders dispatched from Hankow August 6 to both the district magistrates of these provinces and the military commanders active in the campaign. Adequate defense of the various districts is possible only when the local and military authorities work hand in hand, the order declares; the police and militia units of the various districts should place themselves unreservedly under the direction of the military commanders in their respective areas.

Shanghai Tug and Lighter and G. E. Marden and Co. Amalgamate

The Shanghai Tug & Lighter Co., Ltd., established in 1903 and G. E. Marden & Co., Ltd., established in 1925, are joining forces under a holding company, Wheelock & Co., Ltd. The former named company has principally been engaged in water transportation and the latter-named in land transportation, mostly by motor trucks. The combined concern will cover every branch of transportation and storage.

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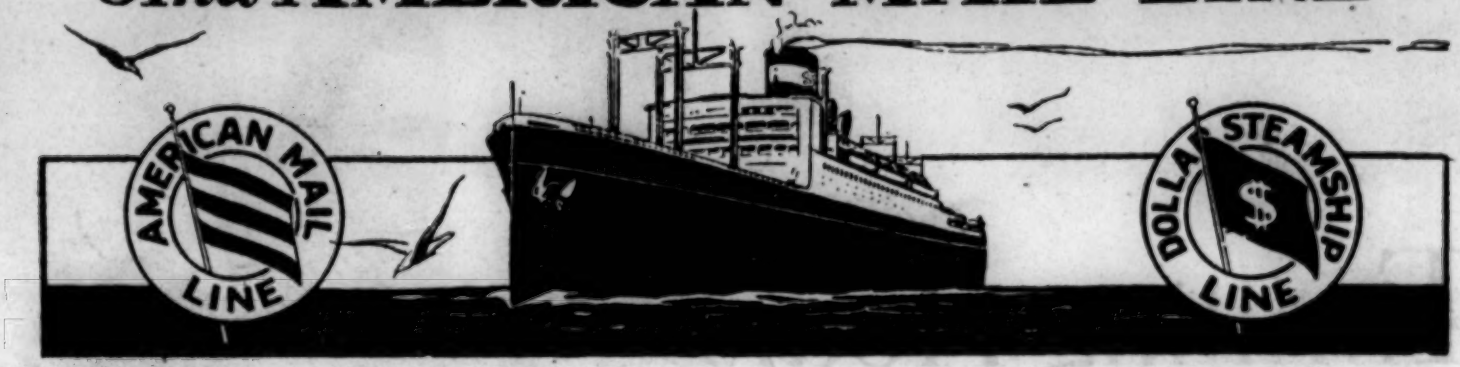

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